

# SMART SHUTDOWN GUIDEBOOK

**Considerations for a Successful Shutdown**



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## 1. Foreword

It is an absolute pleasure and honor to provide a few words regarding this *DAU Smart Shutdown Guidebook*. At present, the Department of Defense (DoD) has no formal process to terminate a program and once a program is terminated, has no formal process, education, or training to smartly shut it down. I wish such processes existed when I was an Air Force program executive officer (PEO) and later the Army's acquisition executive, when I had to terminate more than 70 programs/contracts. Once terminated, these programs required significant time and effort to ensure the shutdown was done in the best interest of the warfighter, DoD, and the taxpayer. While the DoD still has no formal termination process, I am very happy to say DAU has developed a very effective guidebook to help program managers (PMs) smartly shut down programs once the termination decision is made.

DoD faces a critical fiscal challenge and it is certain that many DoD programs will be terminated. PMs will be asked to shut down as quickly as possible yet do so effectively and efficiently. The question for the PM given no formal process, no training, and no tools is, *how?* This guidebook provides the answer. Some of the many considerations captured by the guidebook include: personnel, operational capability/requirement need, technology use, facilities/hardware/software, program security, contracting, and budget-related issues. In addition to providing the guidebook, DAU provides assistance to PMs to help them through the shutdown and has done so for a number of programs terminated over the last few years.

Given all the foregoing, I can think of no better tool for the DoD than the *DAU Smart Shutdown Guidebook* and I highly recommend it to all PMs. With this guidebook, PMs who have been directed to terminate programs can do so with confidence that their programs will be shut down effectively, efficiently, and in the best interest of the warfighter and taxpayer. I wish all who read and use this guidebook the very best in a challenging endeavor.

The Honorable Claude M. Bolton  
DAU Executive-in-Residence



## 2. Executive Summary

This guidebook is offered to the PM or program management personnel faced with shutting down a program. This shutdown could be a complete termination, a partial termination, or a transfer of execution responsibility from one agency to another. In each case, the basic set of considerations is the same. The reader is provided with general and pointed discussion of areas to consider in the shutdown process and an exhortation to employ leadership and management principles with vigor in planning and executing the shutdown process.

Program termination is an appropriate and effective management tool. The PM must realize that senior management's decision to terminate a program will not be made lightly. The PM must execute the program shutdown with the same attentiveness to effectiveness and efficiency employed in the ongoing program.

Factors leading to a termination or transition could include:

- Changes in the threat the system was designed to counter
- Changes in the materials or technology used in the design
- Changes in the budget available to fund the program
- Unaffordable cost growth in development, production, or deployment and sustainment
- Inability to meet the key performance parameters required by the user
- Changes in the policy governing the employment of the system technology or the deployment of the system to certain regions
- Selection of an alternate approach for satisfying the mission need
- Changes in execution responsibility from one Service to another
- Or some other reason identified by management

Despite the recognition of program termination as an appropriate course of action, there was no resource available to guide the PM in executing a program shutdown until the development of the Smart Shutdown Performance Support (SSPS) initiative at DAU. This now resides in its own Special Interest Area (SIA) on the DAU Acquisition Community Center (ACC) website. The Federal Acquisition Regulation (FAR) and its derivatives provide ample instruction to the contracting community for how to manage the termination of a contract, but there was no companion guideline for the broader responsibility of the PM. The SSPS is created to give PMs a toolkit to use to plan, organize, direct, and control a program shutdown that involves not just the contract(s), but the personnel, property, hardware, software, data, technology, and program security apparatus in place to execute the overall program. The SSPS body of work is online in the SSPS SIA of the DAU portal (<https://acc.dau.mil/smartshutdown>). Visit the site and become a member right away. The SIA contains planning and reporting templates and databanks of questions/statements/interviews to stimulate the shutdown planning process. This guidebook will help the PM synthesize that information and build his plan of action.

Not only is this a good structure and dataset for shutdown planning, the review of it is a good process for the PM to go through whether planning a start-up or shepherding a program through the various stages of its lifecycle. A proactive PM will use this in developing an acquisition program plan, not only to address the shutdown course of action, but to shape provisions for staffing, intellectual property, hardware, software, and data storage and archiving. A proactive PEO and/or Milestone Decision Authority (MDA) will see that the PM does. This thought process does not drive a focus on failure. Rather, it drives clarity of purpose in everything from program organization, planning, and resourcing to record-keeping methodology to contracting for people and products to communicating the importance of diligent and efficient program execution. The PM always must consider the perspective of those above, those below, and those to follow while laying out the program plan of action, regardless of phase...and then drive relentless execution.

The termination/shutdown plan is where the PM documents the objectives and tasks for planning, organizing, directing, and controlling the shutdown. The plan should include the following sections:

- Management (organizing, planning, executing, communicating, and reporting)
- Areas of consideration such as:
  - Personnel
  - Operational Capability/Requirement
  - Technology
  - Facilities/Hardware/Software/Program Security
  - Contracts
  - Budget
- Special appendices as required for key references such as the Acquisition Decision Memorandum (ADM)
- Other sections necessary for a tailored plan

A sample termination plan is included in the appendix.

The complexity of a program shutdown is driven by many factors, such as:

- Maturity of the program
- Classification of the program or certain hardware and software items
- Size of the program, whether in number of participants (multiple Services/agencies, multiple countries, multiple contractors) or in number of subsystems and interfaces
- State of the contract (is the procuring contract officer (PCO) caught up with change orders?)
- Congruency of the program acquisition approach with the current mindset of senior acquisition leadership
- Relationship between the government and industry PM offices
- Visibility of the program with Congress

- Number of possibilities for transferring hardware/software/technology to potential recipients
- Resources available to execute the shutdown

The degree to which these factors and others vary will drive the uniqueness of situation. The DAU SSPS is designed with enough structure to be a practical tool and enough freedom to be flexible for tailoring.

This individuality and complexity highlight the importance of the shutdown plan as the single place for the PM to identify the overall vision and plan and communicate it with those executing and overseeing. The SSPS does not address the process or factors used by the DoD, Services, agencies, or PEOs in making the decision to shut down programs, but rather, addresses critical thoughts, planning, and actions appropriate for the PM to use to expedite the shutdown action once the decision is communicated. This guidebook serves to walk the PM through the SSPS SIA and help synthesize that information into a plan of action for executing a smart program shutdown.

### 3. Shutdown Planning and Execution

As mentioned, the Shutdown Plan is the single place for the PM to organize and document his thoughts regarding his task and how he will go about preparing for and executing the shutdown as well as communicating with his team, horizontally to affected organizations and vertically to his organizational leadership. This section will provide discussion of the foundational elements of the Shutdown Plan.

#### **Management**

The PM needs to describe:

- The objectives he is setting out to achieve
- The organization he needs to accomplish those objectives
- The time-phased plan for those accomplishments
- The means to execute, communicate, document, and report progress toward completion

The ADM documents the decision to shut down a program and provides the “commander’s intent” with respect to the objectives the PM is expected to accomplish during the shutdown phase. These objectives are the guiding principles the PM must consider as he organizes his team, assigns responsibilities, pulls together the execution plan, and determines his metrics for managing and reporting progress. Other areas will be discussed later, but this is the place to start when setting the path for the program shutdown.

#### ***Organizing***

Pull your key leaders together into a Shutdown integrated product team (IPT) that:

- Organizes around the objectives to accomplish in the shutdown process.
- Matches personnel to objectives without consideration of current organizational position. Is conscious of its knowledge and ability to finish the tasks quickly and strongly, and of the likelihood it can remain through completion of the assigned tasks.
- Includes the procuring, administrative, and terminating contracting officers (PCOs, ACOs, and TCOs).



- Assigns full authority and responsibility to plan and accomplish assigned areas of responsibility.
- Considers beforehand how to move or transition personnel when assigned tasks are complete and as they leave for other employment. Remember that it is good for these people to work themselves out of a job.
- Includes, to the degree affordable and possible, prime contractor leadership. There will be times when the prime's presence isn't necessary—but, as with any contracted activity, the more both parties understand about what the other is trying to accomplish, the better.
- Focuses on the job at hand and doesn't let meetings turn into gripe sessions. Remember, the job now is getting on with wrapping up the program and moving on to the next acquisition objective.

### ***Planning***

What gets measured gets done. Work with the Shutdown IPT to:

- Craft a detailed integrated master schedule for the shutdown that addresses the major objectives called out in the ADM, major reporting milestones, and the details of what must be accomplished in each of the areas of consideration.
- Estimate and obtain the personnel and funding resources required to accomplish that plan. Plan for contingencies.
- Establish a set of metrics to use to measure progress in each of the areas of execution. Don't get carried away, but put some key metrics together. They will become important management and reporting tools.
- Develop a business case analysis process to analyze and determine alternative courses of action so a common, disciplined approach is available to apply across the board.

### ***Executing***

Lead the Shutdown IPT to:

- Hold its membership accountable for executing the plan in accordance with established processes.
- Establish a meeting cadence to:
  - Focus on specific topics (one or two per meeting to focus on the discussion and allow time to work the issues from one week to another) and to inform subsequent meetings.
  - Formalize varying levels of involvement (IPT alone, or IPT plus prime contractor, or IPT plus program office (PO)) as well as varying agendas over defined period.
  - Use meeting minutes and action items to identify issues for resolution, communicate status, and prompt action. Post these for all program personnel to see.

- Be sure to address entire PO members regularly to keep them informed of progress, dispel or confirm the latest rumor of program resurrection, and remind the workforce of the milestones of the termination plan.

### ***Communicating***

It is important to establish and maintain frequent, regular communications throughout the shutdown process with the IPT, the PO, and higher leadership. The PM should also be prepared to assist the PCO and TCO with their correspondence requirements with contractors and to assist higher leadership in its communication with external stakeholders, such as Congress and industry. Be consistent and acknowledge and address changes as messages evolve. Keep records of all communications.

### ***Reporting***

One means of communicating the objectives of the shutdown and the plans and status of that is the shutdown plan itself. In addition to this, recording meeting minutes and actions and providing status briefings to leadership, PO personnel, and other stakeholders are key activities during the shutdown process. Keep records of all. A sample status briefing is included in the appendices and in the [DAU SSPS SIA](#).

### **Primary Areas of Consideration**

The primary focus of the shutdown process is the realignment or disposition of the resources assigned or created for program completion as well as the realignment or disposition of the requirement that initially drove the need for the program.

These primary areas of the shutdown process are:

- Personnel
- Operational Capability/Requirement
- Technology
- Facilities/Hardware/Software/Program Security
- Contracts
- Budget

The following sections provide a broad discussion of each area of consideration, and why it is important, and draws from the [DAU SSPS SIA](#) for questions to ask while developing the plan of action. Refer to the question databank on the portal for each of these areas.

### ***Personnel***

Two major problem areas associated with terminating a program are worker morale and reassignment of personnel. Program workers dedicate their professional lives to achieving program success. When the program is terminated prematurely, the staff members experience a tremendous letdown. All the work and energy they have provided attempting to achieve program success seems wasted.

The deflated worker morale is followed by the anxiety associated with an uncertain future. If follow-on job assignments are uncertain or do not appear desirable to program personnel, the resulting anxiety takes energy and focus away from the close-out activities. Individuals will spend excessive time job hunting, or dragging their feet to extend the close-out period. Another problem is program personnel searching for jobs on their own and potentially leaving sooner than you planned. This creates a void that is often hard to fill, resulting in more time and cost to close out the program and adding to the already existing stress imposed on the remaining program team.

The realities of closing a program make it difficult to transfer program personnel under ideal conditions for all parties involved. Practices employed in program execution are applicable to the closeout phase. Plan the closeout project with clearly identified tasks, and assign responsibility to the appropriate groups. Develop the closeout project with schedules, budgets, and deliverables.

Communicating goals will boost morale and enhance project participation up to final closure. Effective communication can help minimize morale, fatigue, motivation, technical, and logistics problems. Regularly scheduled status meetings provide an effective method to maintain open communication and to keep rumors in check. A good program plan that defines the tasks and schedule for accomplishing a smart shutdown is a good tool for communicating the job at hand to the workers. It lets them know the goals and defines the point where transition is needed to a new position.

A PO is often made up of individuals who can be classified as government civilian personnel, government functional/matrix personnel, military personnel, and support contractor personnel. Prime contractor personnel also are a part of the program team. Below are a few considerations that apply to a particular group of personnel:



### Government Civilian Personnel

- Engage the PEO, headquarters (HQ), and direct managers for help in finding positions for your program people.
- Consider providing training or school during the shutdown period or providing for it afterward.
- Consider award recommendations.
- Provide recommendations to program personnel for other positions.
- Consider including termination objectives in individual performance objectives.
- Inform qualifying personnel of Voluntary Early Retirement Authority (VERA) or Voluntary Separation Incentive Payments (VSIP) opportunities.

### Functional/Matrix Personnel

- Meet with matrix managers to secure retention agreements for key personnel while ensuring they don't miss out on attractive positions.
- Provide recommendations for transition positions.
- Identify key personnel required for retention in order to ensure proper execution of termination activities and discuss retention requirements with supervisors.
- Determine if there is a memorandum of agreement (MOA) with the matrix organization that needs to be updated or terminated.

### Military Personnel

- Engage the PEO and HQ as well as assignment officers concerning placement.
- Consider initiating military orders.
- Consider giving Service specific award recommendations.
- Consider initiating Officer Evaluation Report (OER) packages.

### Support Contractor Personnel

- Contact or meet with contract PMs to make them aware of the termination and to secure retention agreements for key personnel while ensuring they don't miss out on attractive positions.
- Consider providing inputs to closeout performance appraisals.
- Consider letters of endorsement for deserving individuals.
- Make sure you have funding to cover Science, Engineering, and Technical Assistance (SETA) personnel through the planned drawdown.
- Send a contract letter to the contractor informing them of the termination.



### Prime Contractor Team

- Work with prime contractor leadership to retain key personnel through the close-out process.

It is essential to maintain program personnel to execute an effective program close-out. They have the expertise and knowledge needed. Good communications with the program staff can go a long way in maintaining the proper team. Above all, maintain honesty and transparency.

### ***Operational Capability/Requirement***

Programs are terminated for various reasons. In many cases, the requirement has not gone away. If the mission is moved to another organization, or if a new program is started in the future to meet the requirement, technology developed during the now terminated program may prove useful to the new organization. When a program is executing shutdown activities, it is important to ensure that technology and data developed during execution are not lost.

If the termination is not due to the threat becoming irrelevant, the PM should work with his counterpart in the requiring activity as well as with the PEO and fellow PMs to determine if the requirement should be allocated wholly or partly to other systems. This is likely the quickest path to get a materiel solution in the hands of the warfighter. Consider the entire DoD enterprise when looking for alternatives, not just peer programs within the Component PEO. If no suitable transfer recipient is identified, starting anew with a different programmatic or technical approach is in order.

### ***Technology***

Programs are started when a need or requirement is identified. The purpose of the program is to satisfy the requirement. From the beginning, the program is developing new technologies in the form of engineering studies, drawing packages, software development, and modeling and simulation activities. Program management documentation, in the form of major decision briefings, formal acquisition documents, information papers, financial records, and more are generated that document the history and progress of the program. Unlike facilities and hardware, for which ownership may transfer from one program to another, technology, software, and data may find uses by multiple organizations for a variety of purposes.

Technologies developed during program execution may be transferred to other programs or may go back to the labs. Technological advances associated with specific subsystems may find applicability to other programs, either in development, or as upgrades to currently fielded systems. In many cases, the labs will have insight into the overall service portfolio and will be able to identify potential candidates for the application of new technologies.

Over the life of a program, data have been generated and likely are stored in numbers of places. Handling classified data is discussed in the Facilities/Hardware/Software/Program Security section of this document. The following paragraphs will address the handling/archiving of unclassified data.

Given the pace of an acquisition program, there has probably not been a lot of effort in developing and maintaining a logical, structured file system. Unclassified electronic files are likely stored on a program specific share drive as well as on individual team member local hard drives. There probably are multiple copies of many documents as well as multiple revisions of documents. Structured archiving of program documents will ensure that data that need to be retained will be available in the future in a format allowing them to be found relatively easily.

In addition to electronic files, there are likely certain documents, such as those containing company proprietary information, that may be available in hard copy and do not belong in an electronic archive. Any such documents must be identified and dealt with appropriately.

A good place to start planning for data archiving is with the organization's Records Management Office (RMO). The office can help with:

- Definitions of what needs to be kept vs. discarded.
- Defining the storage requirements.
- Identifying where the hard-copy records reside.
- Determining how long the hard copies be kept before destruction.
- Identifying where the electronic records are to be archived.
- Laying out the process for future accessing of stored documents.

Some considerations for archiving electronic data files include:

- Define a data structure—this likely will follow the program's IPT structure or possibly a second- or third-level work breakdown structure. A well-defined structure will aid significantly in the event someone, not necessarily familiar with the program's execution phase, needs to locate the specific information.
- Set up a separate location for the storage of files during the archive process—as files are placed in the archive structure, they should be deleted from the original location. That way, when the original location goes to zero files, you know the archive process is complete. The new location is the source of the program's archived data.
- Assign responsibilities. Each folder in the original data location needs to have an assigned responsible person.
- Develop a metric for measuring progress. A sample metric that monitors the size of the archive structure and the original structure is included in the appendix as part of the sample status briefing.

A note of caution: The current practice of shared electronic workspaces, developed and maintained by prime contractors, presents an issue with data archives. Many files from these electronic workspaces have been copied to the

program office shared drives over the execution of the program. Further, there is a desire to archive as much of these data as possible, so program personnel will want to download as much information as possible. The prime contractor has developed the data present in the electronic workspace; much of the data are not in a deliverable format and, therefore, have not been marked properly. If these data are placed in the terminated program's archive, controls will be needed if the data are to be accessed in the future.

### ***Facilities/Hardware/Software/Program Security***

From the time a program is started, it begins acquiring assets. When the program is shut down, it faces the task of disposing of all these assets. The type and amount acquired vary greatly from program to program, based on the size and nature of the program. Large programs acquire more assets during their life than do small programs. Fielded

programs have assets in the field and depots that may not apply to research and development programs. Whatever the case, the terminated program either must transfer property to another product/project/ program/lab within DoD or another government agency, or it may be scrapped or abandoned in place. All assets must be inventoried and dispositioned before the shutdown process is complete.

To understand the total scope of what must be dispositioned, one needs to understand what one "owns." Start the process with an accurate inventory list and break down the basket of "total assets" into logical buckets. This guidebook suggests the following buckets:

- Facilities
- Hardware
- Software
- Program Security

Each asset class has unique disposal requirements. As you develop an inventory associated with each asset class, disposition plans begin to take form. Activities associated with each class of asset are defined, external interfaces are identified, and a schedule begins to emerge. By breaking down the total scope into manageable pieces, activities, timelines, and resources can be developed to structure the shutdown project. The same program management tools used during execution of the original program are applicable to program shutdown.



General questions that may be applied to each asset include:

- Ownership?
- How long do I need it to execute program shutdown?
- Is there another product in the PO that wants/needs it?
- Does another program within the PEO want/need it?
- Does someone within the Service or agency want/need it?
- Does anyone within DoD want/need it?
- Does another government agency want or need it?
- Does a Security Assistance partner want/need it?

### Facilities

For purposes of this guidebook, facilities include buildings, office space, and capital equipment such as special tooling. Each item needs to be reviewed individually to determine the required disposition activities. Work scope, schedule, and funding are required for each facility.

Considerations for facility disposition include:

- Is the facility leased or owned?
- Is there an MOA with another government agency that needs to be updated or terminated?
- Are there environmental considerations that need to be addressed prior to turning over the facility?
- Are there security considerations that need to be addressed prior to turning over the facility?
- Has returning the facility to its original state been accounted for?

### Hardware

Hardware typically encompasses the bulk of what the program owns. This includes furniture and computer equipment in the PO, material, and equipment at contractor facilities that was purchased on contract (government owned), inventory of assets and associated spares, equipment or assets currently in storage or at other government facilities (test ranges, maintenance depots, etc.). Each group of hardware must be accounted for, though the method of disposition likely will vary.

As recipients are found for the various items, DD Form 1149 (Requisition and Invoice/Shipping Document) can be used to transfer ownership from the terminated program to another program or contract.

In many cases, the hardware owned by a program is unique and finding an interested and willing recipient proves difficult. Several classes of hardware likely require different treatment. For example, there will be contractor-acquired property that is at the contractor facility but is owned by the government; property

owned and in the possession of the government; and special cases such as explosives and hazardous materials that require special disposition plans.

Excess property that is in the government's possession can be processed through the Defense Logistics Agency's (DLA) Disposition Services (formerly known as the Defense Reutilization and Marketing Service). DLA Disposition Services provides worldwide disposal management solutions through the reuse, transfer, donation, sale, or disposal of excess property.

Depending on the phase and size of the program, there may be quite a bit of government-owned property at the contractor site. This property may be dispositioned in a similar fashion to other hardware: obtain an inventory, look to other programs that may have interest, and transfer the property. Additionally, the contractor may have other programs or contracts that can use the property and the items can be transferred from one contract to another. Residual hardware that does not find another program or contract can be processed through the Defense Contract Management Agency's (DCMA) Plant Clearance Automated Reutilization Screening System (PCARSS). PCARSS provides reporting, screening, requisitioning, and dispositioning excess government property located at contractor facilities. Details concerning PCARSS are available from DCMA or the local Plant Clearance Officer (PLCO).

### Software

Software includes all computer programs owned and/or developed for the program to include software requirements, software documentation, and source code.

Some software developed is system specific, but, as programs are architected as systems of systems, there is software built to allow new systems to communicate with existing systems. As more new systems come on line, the potential for reuse of portions of software increases. Software developed, to include documentation, needs to be preserved and provided to potential users. Most labs have directorates specifically focused on software development, or delivered software may reside with the Configuration Management area of the program's parent organization. Work with the appropriate technology organizations to make sure software that has been developed and paid for will be available to others who may have a need.

### Program Security

Though program security can be thought of in one or more of the other categories, requirements for handling equipment associated with classified information involve separate planning and execution. Several areas of concern from a program security point of view are addressed below.

Continue to protect critical program information. Alert the appropriate authorities to the change in program status so they can be on the lookout for unusual activity.

One of the first things to be done in planning for termination is to meet with the responsible Security Office. There is a remote possibility that program termination may cause an extreme reaction by a disgruntled employee, either contractor or government. PO management should be aware of psychological signs that may indicate an individual is a threat, either physically or technically. To protect against insider threats such as logic bombs, a process should be set up to ensure access to program systems is removed as soon as possible once individuals depart the contract.

If your program is a Special Access Program (SAP), individuals may have been granted Sensitive Compartmented Information (SCI) access. As individuals leave the program, debriefing will be required. Debriefing program personnel should be included in your termination planning.

Document control involves the retention and disposition of classified documents. An inventory of all classified documents, by location is required. The PO should determine what is to be retained and then provide guidance concerning the timeline for disposition, as well as guidance concerning protection of any proprietary or sensitive information. Any documents being retained require a location; the program needs to make sure the storage location is suitable and approved for document retention. Once the long-term storage of documents has been determined and executed, the safes can be sanitized and dispositioned.

Classified network sites may have been provided by your program. These sites may be at test sites, contractor and subcontractor locations. If there is not another program to take on responsibility for these sites, they will have to be shut down. The PO will determine the timeline for shutting down classified sites and will determine the disposition of classified hard drives. All classified computers will need to be sanitized. Work with the appropriate Security Office to ensure classified computers and Internet sites are dispositioned appropriately.

Another security-related special case of hardware disposition is dealing with communications security (COMSEC) material, which includes COMSEC keying material, items that describe, or implement cryptographic logic, and other items produced by or for the U.S. Government for communications security purposes. Activities that should be considered in dealing with COMSEC material include:

- Prepare an inventory of all COMSEC material the program is responsible for along with locations.
- Determine when COMSEC operations need to cease at each location.
- Determine disposition of program owned COMSEC equipment.
- Work with the appropriate Security Office and COMSEC custodians to issue disposition of COMSEC equipment.

### **Contracts**

The contract and its associated documents are the only binding element of the relationship between the government and the contractor. Outstanding

contract actions between the government and the prime and between the prime and its subcontractors (and so on) will be very difficult to complete in a shutdown environment. Good will and cooperation among program participants disappear in favor of organizational protection (government, prime, or subcontractor). The more the contract represents the current state of play, the quicker the parties are able to resolve the shutdown elements.

The PM likely will have several contracts or parts of several contracts in play at any given time for prime item development as well as for oversight assistance, independent verification, and planning for operationalization. The PM will need to inventory these contracts, task orders, and other instruments to obtain a comprehensive site picture of the situation, prioritize shutdown planning for these items, and begin notifying the contracted parties of the changing requirement and his intention regarding each contract. Consider carefully tailored stop-work notices in advance of termination notices to focus remaining effort and funding on those things required to prepare and execute the shutdown.

The PM's concern here is broader than just what the FAR says about termination. In fact, the PM may not be terminating contracts at all. He may be transferring part or all of his contracts to another executing activity or allowing existing task orders to expire and opting not to award new ones. The variations are many, but the key principles are the same. The PM must know what he has, know what he wants to do, and be clear and swift in execution. Clear and accurate property accountability and intellectual property (IP) accountability records put the PM in the best position. Disagreements over inventory and IP routinely drag contract terminations out for years. Develop the contracts strategy, review it thoroughly, and then execute it swiftly.

The FAR Part 49—Termination of Contracts, will provide direction to the PCO and ACO for how to proceed with the mechanics of a contract termination if that becomes part of the program shutdown. Find out as soon as possible who the TCO is and make him an integral part of the Shutdown IPT. Recognize that contract termination activities will continue for years once the decision to do so is made—even if termination responsibility is delegated to the TCO. This needs to be considered as the PM and contracting functional leadership decide on staffing levels going forward.

As mentioned, not every case of program shutdown requires a conventional contract termination. The PM may be able to allow tasks of an Indefinite Delivery Indefinite Quantity (IDIQ) type contract to reach their natural conclusion without exercising a termination clause. In this case, Termination Costs may be limited to property disposition. In other cases, the PM may be able to transition all or part of the contract to another organization for execution. If this happens, all transferred elements must be identified and a likely disposition alternative attributed to each.

Final Contractor Performance Assessment Report (CPAR) and award fee determination, if applicable, need to be addressed as quickly as possible before key contributing personnel disperse.

Thoughtful planning early in the program to limit termination liability costs and shape contractor behavior with award fee in the face of a termination will benefit the shutdown process. It is best to do this prior to award; better to do it early; and nearly impossible to implement at the end.

The PM must stay organized and up to date in the contracts area. The effort to pursue this during program execution will pale in comparison to the effort required to get organized and up to date in the midst of the chaos of a program shutdown.

### **Budget**

An active program requires funding, and a program in the shutdown phase is still active, so don't give away all the funding.

The lag associated with financial reporting can lead some to make the wrong decision with respect to how much funding is available to cover the rampdown of a program. The lack of a comprehensive termination liability cost estimate (program vs. just contract) also will lead to poor financial decision making in a termination.

The PM must review the five areas of consideration discussed above and determine the cost of completing the disposition of all the personnel, facilities, hardware, software, and materials identified as well as that of activities associated with overseeing and executing that disposition. Once this estimate is completed and updated, compare it to the funds available—unobligated, obligated and not expended, and budgeted for the following fiscal year—to see if there is enough available to handle the job at hand. Make the determination and report the situation to leadership immediately.

These estimates are as critical to managing the shutdown efforts as they are to defending remaining program funds from those looking to use these funds elsewhere.

In advance of a formal termination notice, the PM should identify and issue stop-work orders for all unnecessary activities on the contracts, task orders, and other instruments that he has in play for the program as soon as possible. This is the surest way to increase the funds available to execute the shutdown.



Move swiftly to recover excess funds and obligate them on instruments necessary to complete the shutdown. Excess funds may be found all across the chart of accounts such as on contracts executed by the PO, funds executed via the military interdepartmental purchase request (MIPR) process, host-tenant support agreements, as well as personnel and travel accounts.

The Planning, Programming, and Budgeting System (PPBS) process looks backward as well as forward. Reporting responsibilities will continue.

The PM must maintain as much insight into where the money is and why it is in those places in these times as he does at any other time in a program's life. This should be treated as a super end-of-year sweep and reallocation of funds. The consequence of not properly funding the shutdown activity within program funds will fall on peer programs and higher HQ and may require congressional reprogramming. Remind those who search for "excess funds" of that as they attempt to take funding away.

#### 4. PM's SSPS Toolkit



The SSPS Toolkit contains many assistance items that can be used to accomplish the shutdown task. In addition to this *SSPS Guidebook* as a major source of guidance and reference, the PM Toolkit is comprised of:

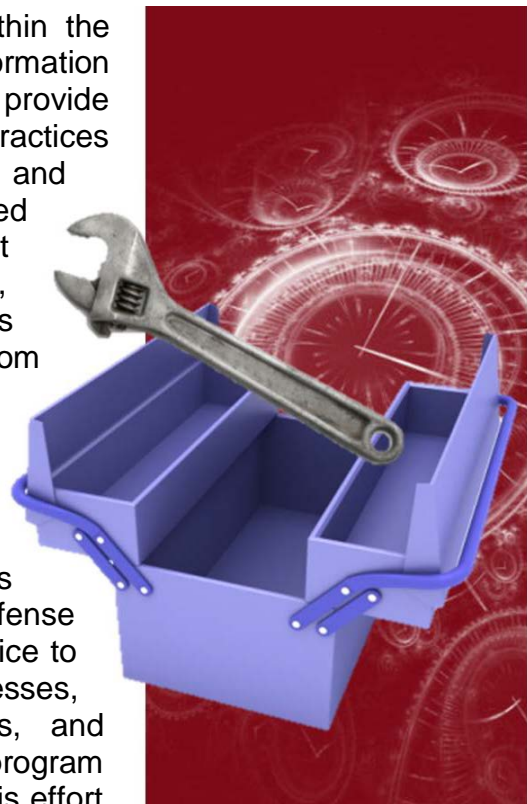
- SSPS Leadership Overview Brief
- SSPS Consideration Database
- SSPS Special Interest Area
- SSPS Senior Leader Insights

**4.1** The SSPS Leadership Overview Brief is designed to provide the PM his first introduction to an organized hierarchy of assets useful in the framing and execution the activities necessary for the shutdown of a project or PO. The activities involved in the shutdown can be tailored to the individual program circumstances in order to “best fit” the program needs. The briefing usually is presented to the PM and his designated leadership team by DAU subject matter experts (SMEs) and provides insights from other program shutdown activities to generate additional thoughts and reflections by the PM team as it develops its strategies and action plans to accomplish its program shutdown. By understanding the various program functional areas addressed through the SSPS model, the PM can determine the amount and areas of additional assistance he may desire from the DAU support team. For additional insight into the SSPS Leadership Overview Brief, refer to the SSPS SIA within the DAU ACC forum. [www.dau.acc.com](http://www.dau.acc.com).

**4.2** The SSPS Considerations Database is the center of gravity of the SSPS initiative. The SSPS Considerations Database is a collections of approximately

400 “thought provokers” stratified by the six functional areas of the SSPS model that are designed to assist the PM in developing the shutdown or termination plan activities. The database is provided in an Excel format to facilitate distribution of the content to the PM leadership team for their use in managing the shutdown effort. The database is not intended to be a step-by-step instruction of what is to be accomplished, but rather an extensive list of “actions to be considered” while proceeding through the shutdown activity planning and execution phases. As with the SSPS Leadership Overview Brief, the Considerations Database can be tailored to reflect the individual PO needs and situation. The database is under constant revision as new considerations are suggested by programs using the SSPS Toolkit as they accomplish shutdown activities. The latest revision of the database is available on the Internet at the SSPS SIA within the DAU ACC framework ([www.dau.acc.com](http://www.dau.acc.com))

- 4.3** The SSPS SIA has been established within the ACC portal to provide a forum for information exchange and peer-to-peer discussions to provide acquisition organizations enterprise best practices to accomplish smart, disciplined, efficient, and effective program terminations when required to do so. The SIA supports independent and collaborative discussion groups, contains the functional area considerations database with updates and inclusions from other programs lessons learned, provides a location to post articles, notes, termination plans, and other value-added documentation concerning the shutdown process, and reference postings for additional information concerning this initiative. The SSPS SIA provides the defense acquisition community a forum for their “voice to be heard” in identifying goals, processes, shortfalls, issues, best practices, plans, and considerations in all aspects of program termination activities. All contributions to this effort can be submitted to this SIA or to [SmartShutDownPS@DAU.mil](mailto:SmartShutDownPS@DAU.mil).



- 4.4** SSPS Senior Leader Insights reflect the views, opinions, and recommendations from interviews with Senior Service Leaders who were leading or connected with the termination of acquisition programs/projects. The senior leader interviews are directed toward providing additional high-value insights/considerations from the PMs and Service leadership that have had their programs canceled.

**4.5** The combination of the tools within the SSPS Toolkit render valuable assistance to the PM and the Project Office Leadership Team in the developing a shutdown plan. Designed to help the team in identifying critical activities, both large and small, to accomplish the task at hand, the SSPS Toolkit is formatted to allow for additional relevant comments and considerations to be entered in order to support future PMs and project offices undergoing the same initiatives. Any questions concerning the use of available tools under the purview of the SSPS initiatives can be sent to [SmartShutDownPS@DAU.mil](mailto:SmartShutDownPS@DAU.mil) for response by the DAU support SMEs.

## **5. Guidebook Summary**

Transferring or truncating a program will be a trying experience for all involved. Individuals, despite leadership reassurances, will find themselves wondering what's next. Reactions to this sudden change of direction and purpose for the team may vary from extremely passive/internalized behavior to extremely active/externalized behavior. The leadership challenge cannot be ignored, and it will test the PM's personnel and organizational leadership capabilities. The PM should review leadership material for reminders on leading through change and difficult times. He also should remember that he might need to lead his leadership in this time as well.

Thoughtful leadership, comprehensive planning, and relentless execution of the principles outlined in this guide combine to give the PM his best chance of organizing and conducting a Smart Shutdown.

## **6. Appendices**

- A. Sample DOA Program Termination Plan
- B. Sample Schedule
- C. Sample Status Briefing
- D. Considerations Database Input Form
- E. Anecdotes from Senior Leaders



# **APPENDIX A**

## **Sample DOA Program Termination Plan**



## TABLE OF CONTENTS

1.0 PURPOSE AND SCOPE .....	X
2.0 PROGRAM DESCRIPTION .....	X
3.0 MANAGEMENT .....	X
4.0 CONTRACT ACTIONS .....	X
5.0 ASSET DISPOSITION.....	X
6.0 GOVERNMENT-FURNISHED EQUIPMENT/FACILITIES DISPOSITION .....	X
7.0 SCHEDULE .....	X
8.0 FINANCIAL .....	X
9.0 PROGRAM PROTECTION .....	X
10.0 PERSONNEL TRANSITION .....	X
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APPENDIX A. ACRONYMS

APPENDIX B. ACQUISITION DECISION MEMORANDUM

## 1.0 PURPOSE AND SCOPE

### 1.1 PURPOSE

The purpose of this document is to provide a framework to organize and govern the termination process for the DOA program of the Super Special Service.

### 1.2 SCOPE

The DOA Termination Plan shall include the management structure, approach, responsibilities and assignments of the Termination Task Force (TTF). The plan shall include the contract actions; hardware, software, data, and government-furnished equipment (GFE) and facilities disposition requirements and actions; government program office (PO) personnel transition planning and actions; and the schedule, funding, risks, and issues associated with these actions. The termination plan shall require the development of products to include a program historical summary, lessons learned for the program and for the termination process, and a reporting mechanism (including metrics) to provide management a status of progress against plan for all termination activities.

## 2.0 PROGRAM DESCRIPTION

Put the appropriate program description here.

## 3.0 MANAGEMENT

The objective of the TTF is to define, execute and manage all of the government PO responsibilities associated with the DOA program termination.

The management section outlines the TTF organizational structure, roles and responsibilities and the communication methods required to execute these responsibilities.

### 3.1 Organization

The TTF organization is outlined in Figure 1. This structure is intended to enable efficient communication, execution, and reporting.

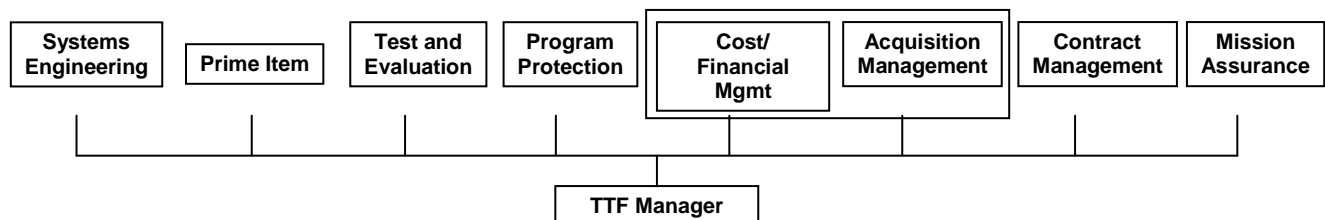


Figure 1. TTF Organization

## **3.2 Roles & Responsibilities**

### **TTF Manager**

The TTF manager is accountable to the program director and responsible for the day-to-day planning and execution of all DOA program termination activities. In so doing, the TTF manager shall develop the DOA Termination Plan; lead the interface with the termination contracting officer (TCO), prime contractor, government integrated product teams (IPTs) and program management; assign and track actions; adjudicate issues; develop products and report metrics related to program termination.

### **IPT Leads**

The IPT leads are responsible for leading day-to-day execution of DOA program termination tasks and actions as assigned, supporting the resolution of risks and issues and the development of termination products. IPT leads shall coordinate with other Super Special Service organizations as necessary.

## **3.3 Communications**

The TTF will utilize various communication means to ensure effective execution of contract termination activities. The TTF Manager will hold daily standups with the government PO IPT leads or representatives to status termination activities such as: asset disposition hardware (HW)/software (SW)/data, contract actions, financial management, briefings and correspondence both internal and external to the Super Special Service, prime contractor interchanges, and personnel transition.

The TTF manager will establish a weekly technical interchange meeting (TIM) with the DOA prime contractor team to discuss those termination activities the contractor is responsible for executing. These discussions will focus predominantly on the safe disposition of DOA program HW, SW, and data.

## **3.4 Historical Summary/Lessons Learned**

The TTF will develop a historical summary of the DOA program as well as capture lessons learned from all aspects of the program. The TTF will develop a historical summary that documents the technical and programmatic aspects of the DOA program from inception to termination.

The TTF will collect lessons learned from all members of the DOA PO prior to their transition to other jobs. The TTF will organize the lessons learned by category, such as the program's work breakdown structure, and archive the document with the overall program data.

## **3.5 Products**

The TTF will develop products to document the termination tasks, execution status, and internal/external reporting. These products will be archived with the DOA program technical data. A summary of TTF products is provided below:

- TTF meeting minutes and actions
- DOA historical summary
- DOA lessons learned
- Contracts letters
- Property transfer notices
- Hardware disposition list
- Technical data list
- GFE/GFI list
- RFNI list
- Cost/financial reports
- Budget control board briefings
- Security documents/records/briefings

#### **4.0 CONTRACT ACTIONS**

The contract activities associated with the DOA contract termination are defined below along with the responsible authorities.

##### **4.1 Procuring Contracting Officer**

The following DOA contract termination actions shall be executed by the super special service procuring contracting officer (PCO):

- Receive termination direction from Super Special Service.
- Issue a Stop Work Order.
- Issue congressional notification on significant contract terminations.
- Issue notice of termination.
- Execute the final CPAR and award fee evaluations.
- Issue any contract actions related to the FAR Deferred Ordering Clause.
- Transfer any property to other contracts prior to the Inventory Disposal Schedule.
- Issue a contract modification for the release of excess funds.

The PCO will coordinate all contract actions associated with the DOA contract termination with the TCO and any required organization.

##### **4.2 Termination Contracting Officer**

The following DOA contract termination actions shall be executed by the DCMA termination contracting officer (TCO):

- Receive Inventory Disposal Schedules from the contractor within 120 days of termination notice.
- Clear all final patent reports (prime and subs).
- Clear all final royalty reports (prime and subs).

- Contractors dispose of classified documents (prime and subs).
- Examine the settlement proposal.
- Audit proposals (accounting reviews).
- Examination, audit, and approval of all subcontract settlements.
- Complete negotiated settlement of the termination.
- Make final payment and de-obligation of funds.

#### **4.3 Plant Clearance Officer**

The following property disposition activities shall be executed by the DCMA Plant Clearance Officer (PLCO):

- Make disposition of termination inventory (for all subcontractors and prime contractor).
- Verify its existence.
- Determine qualitative and quantitative allocability to the contract.
- Make recommendations concerning serviceability.
- Undertake necessary screening and redistribution.
- Assist contractor in disposition. (Contractor and all subcontractors must certify that all termination inventory (including scrap) has been retained or acquired by the contractor, sold to third parties, returned to suppliers, delivered to or stored for the government, or otherwise properly accounted for, with all proceeds and retention credits are included in the settlement agreement.).

### **5.0 ASSET DISPOSITION**

All property and/or assets of the program obtained through contractor acquisition or GFE require disposition. Property is defined as hardware, software and/or data. The disposition process is outlined below.

#### **5.1 Hardware Disposition**

The tasks associated with hardware disposition include:

- Request complete inventory from the prime contractor (including all items at the subcontractor and supplier level).
- Conduct residual hardware review to identify any hardware items to be transferred to other programs or organizations.
- Hardware disposition should be prioritized based on Super Special Service mission requirements and need dates when multiple requests on identical items are made.
- Define any actions required to get the hardware to a safe transport condition.
- Define the contractual and funding actions required to transfer the property and secure temporary and/or long term storage facilities.
- Direct the contractor to prepare the item(s) for shipment.

- Direct the contractor to ship the items or utilize the GBL process.
- Coordinate all actions with the TCO.
- Any remaining property will be turned over to the PLCO to be disposition thru the Plant Clearance process.

### 5.2.1 Data Disposition

The tasks associated with technical data disposition include:

- Direct the contractor to prepare a list of all program data (technical, programmatic, software, model/ simulations).
- Develop a data management structure to be used for archival of the data
- Evaluate and select a long term data storage facility.
- Review and purge all internal data storage devices of unnecessary files.
- Direct the contractor to provide selected program data items.
- Transfer data (internal and contractor delivered) to new data structure.

## 6.0 GOVERNMENT-FURNISHED EQUIPMENT/FACILITIES DISPOSITION

The TTF shall determine the need for GFE/F disposition through the termination process. The TTF shall identify actions necessary to return item to condition at time of issue (if necessary) and take the appropriate action to accomplish this. The TTF will return and GFE to the proper owner or transfer in place, if owner agrees.

## 7.0 SCHEDULE

The primary termination tasks are outlined in Figure 2.

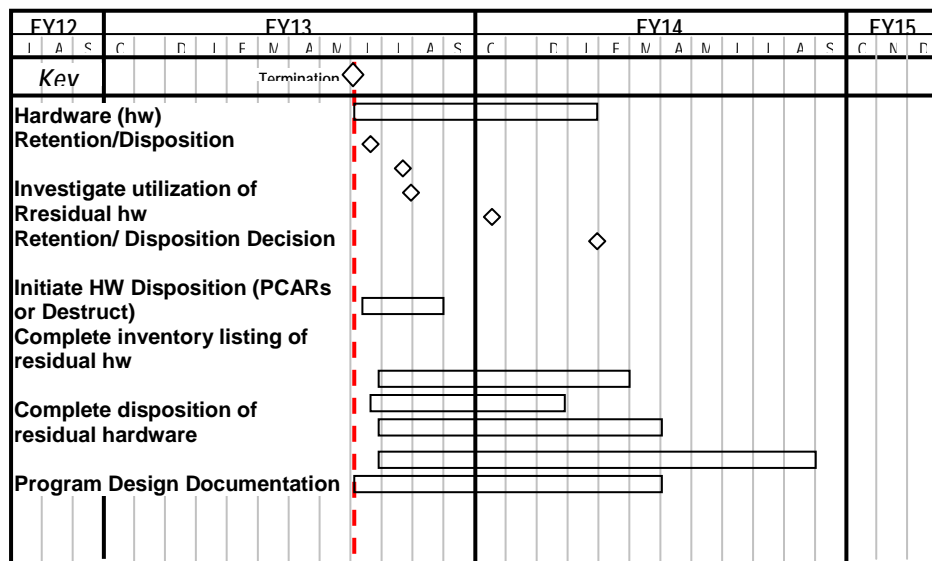


Figure 2. Termination Schedule

## **8.0 FINANCIAL**

The Business Financial Manager (BFM) is responsible for ensuring DOA program appropriated funds are executed in accordance with program- and service-established processes, as well as statutory requirements. The BFM will support the TTF and execute all financial aspects of the program termination.

The BFM in coordination with the TTF will follow the DOA program processes (Budget Control Board—BCB) to execute any financial decision. The BFM will be responsible for ensuring all funding documents are executed accordingly. The BFM will develop a cost estimate for the program termination and termination of any associated funding lines and report through the appropriate service processes. The BFM will continue to report the financial status as required. The financial execution status reports will be archived along with the program technical data.

## **9.0 PROGRAM PROTECTION**

The government program protection team will ensure that security issues related to termination activities are conducted with appropriate security oversight, with horizontal protection measures in mind, and in accordance with any applicable guidance. The program protection team will work with the appropriate functional (including prime contractor security) to address:

### Information Safeguards

- Annual Inspections
- Marking Course
- Incident Reporting
- Information (hard copy/electronic) Recovery
- Classified Document Review
- Records disposition
- Safes
- Safe Disposition
- Security container shipping
- Courier Card disposition
- Personnel Roster
- CAC
- Badge / VAR
- SCG

### Personnel Security

- Government Termination
- Government Transfer
- Contractor Termination
- Contractor Transfer

### Physical Security

- Closed Area actions
- VTC actions
- VTC locations
- Decertification of SCI areas
- End of Day actions
- Mail Room actions
- Classified Data disposition

### Program Protection

- Protection of critical program information
- Disposition of critical program information

### OPSEC

- Tailored briefing
- Courtesy Walk through

### Intel

- Weekly briefing
- Support on demand

### Counter Intel

- Support Requirements
- Brief development

### Automated Information Systems

- Disposition of Equipment
- Transfers
- Turn-ins
- Access to shared resources
- Industrial Security
- Classified Tail site disposition

### COMSEC

- Keymat collection and recovery
- GFE
- KSV 21

### Administrative

- Maintain element tasking list
- Maintain functional issued tasking list



## **10.0 PERSONNEL TRANSITION**

The initial focus of all personnel will be to support PO termination activities such as documentation review, organization of the program share drive, and capturing lessons learned from all areas of the program. The PO will work diligently with the functional managers to transition personnel from the PO to vacant positions within the PEO/Service to ensure the most effective use of personnel resources. Although the priority is for the entire staff to support near-term termination activities, alignment of personnel to other organizations prior to completion of termination activities may be necessary. Figure 3 delineates the PO staff by IPT and category at the time of termination. A detailed transition plan will be developed under separate cover that outlines when and where each employee will leave the PO.

The timing for transition is critical for all civilian employees due to the requirements of the applicable performance appraisal systems. Requirements will vary. The majority of the government employees will need to update their objectives to reflect either termination activities. Additionally, a close-out performance appraisal may be required if a civilian employee is changing supervisors or leaving the organization.

## **11.0 TECHNOLOGY TRANSITION**

The TTF shall ensure transfer as much of the program-office and contractor-developed techniques, SW, HW, and engineering data to other agency, DoD, and other government activities as is practical. This includes those items core to the prime development effort as well as other smaller activities such as small business and innovative research efforts.

Include sub-paragraphs for each transfer item/area.

## **11.0 RISKS AND ISSUES**

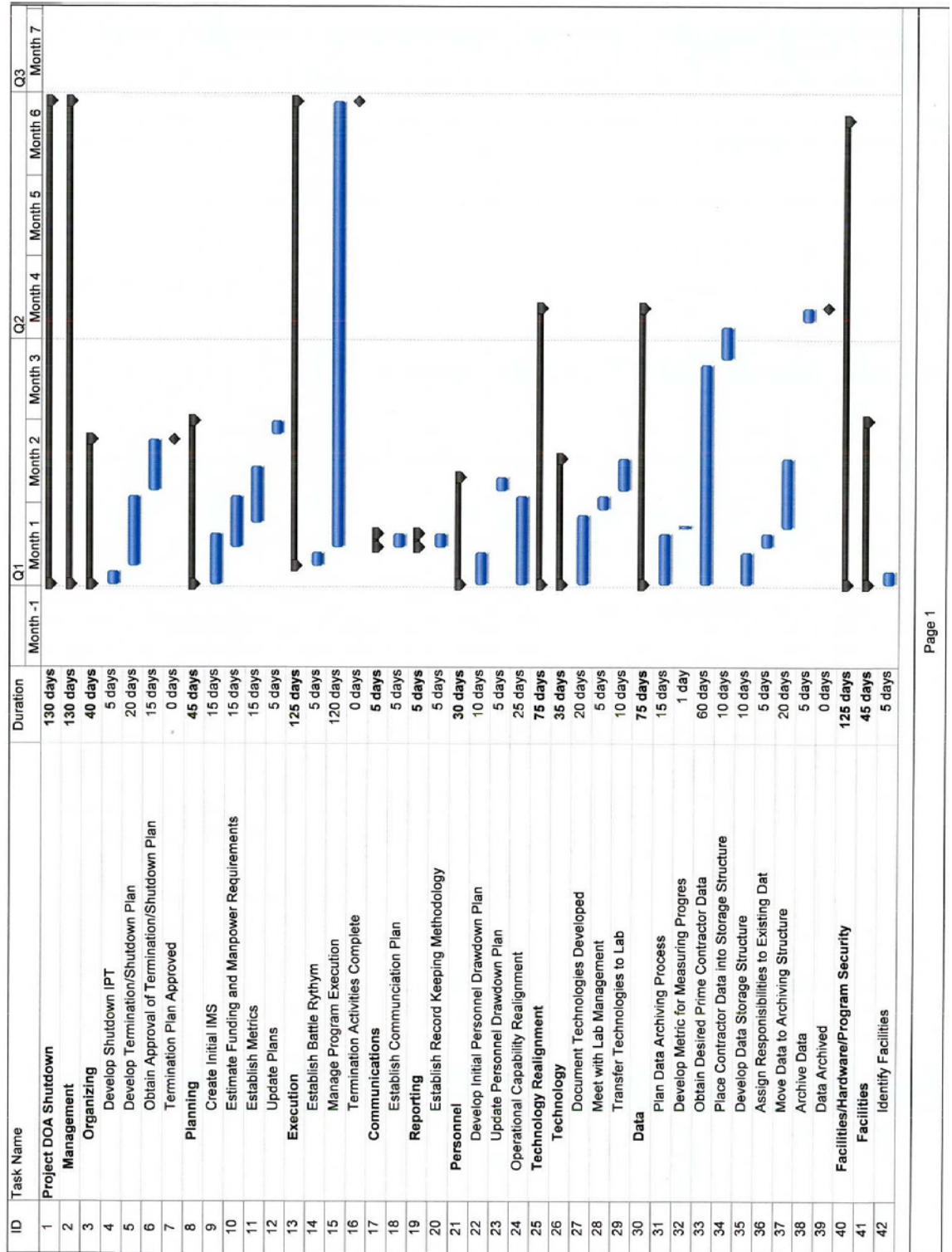
### **APPENDIX A. ACRONYMS**

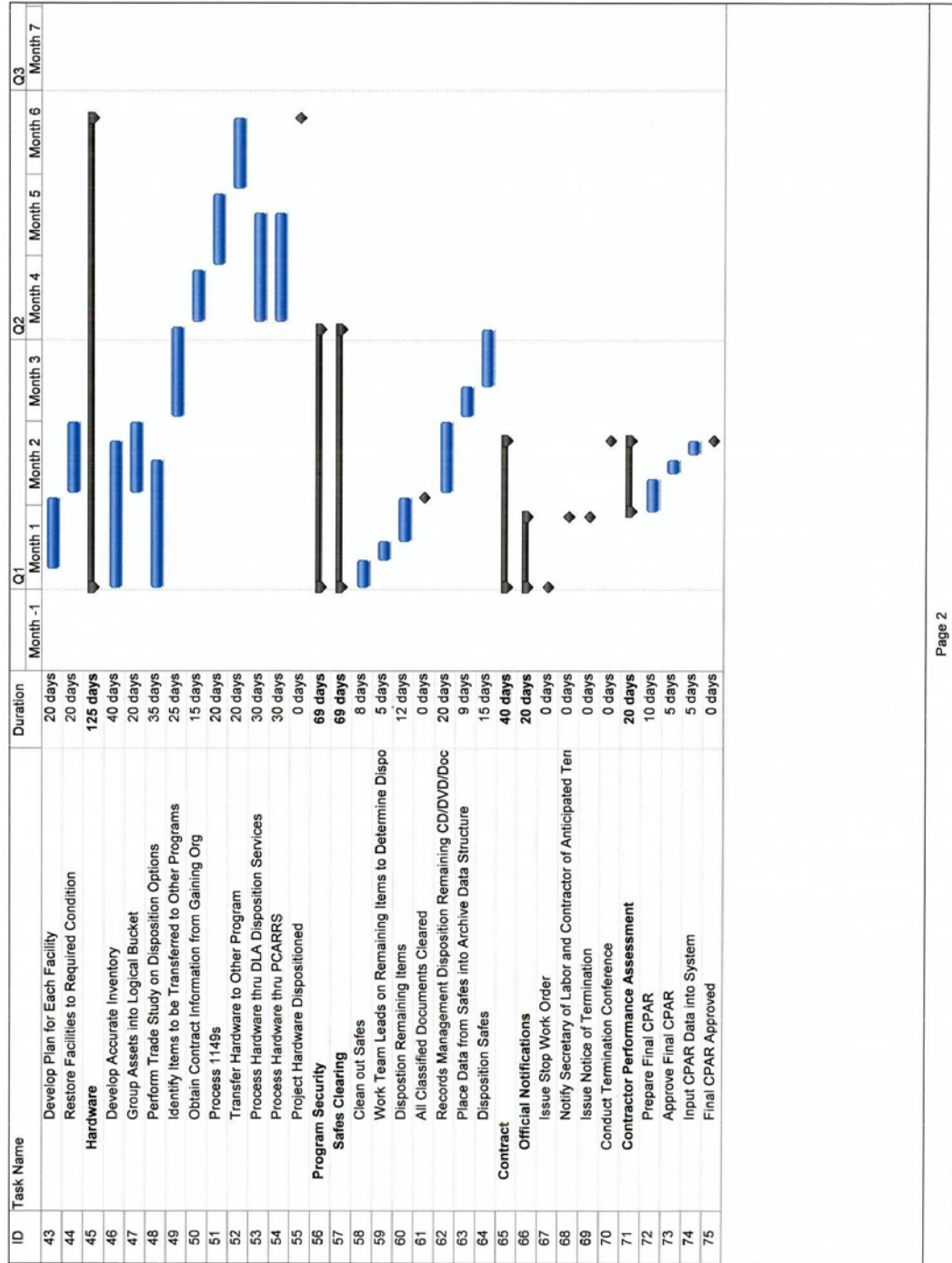
### **APPENDIX B. ACQUISITION DECISION MEMORANDUM**

### **OTHER APPENDICES AS NEEDED**

## **APPENDIX B**

### **Sample Shutdown Schedule**







# **APPENDIX C**

## **DOA Termination Task Force Update**

# DOA Termination Task Force Update

IPR

February 31, 2013

Mr. Lev B. Hind  
DOA Program Office

## Purpose and Agenda

<u>Purpose</u>	<u>Agenda</u>
Information briefing on the DOA Program shutdown activities	Management Contract summary Hardware Disposition status Data Disposition status Government Facilities summary Schedule summary Financial summary Security summary Personnel summary Remaining tasks Issues

## Management

- Lessons Learned documented and archived (2 Oct 2013)
- Program Historical Summary drafted (ECD 25 Nov 2013)
- CPAR Close Out (ECD 25 Nov 2013)

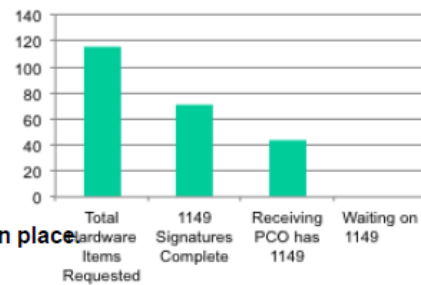
## Contract Summary

<u>Contract Principals</u>	<u>Government Furnished Equipment/Facilities</u>
<ul style="list-style-type: none"> <li>• PCO: Mr. No, Hometown, ST</li> <li>• TCO: Ms. Ive Gachu, DCMA-Sommerselse, ST</li> <li>• PLCO: Count Em All, DCMA-Yulenevursy, ST</li> <li>• Property Administrator: Mr. Awl Mine, DCMA-Yulenevursy, ST</li> <li>• Prime PCO: Mr. Newto Yu, Noturtown, ST</li> </ul>	<ul style="list-style-type: none"> <li>• GFE/RFNI:               <ul style="list-style-type: none"> <li>– Property transfers in process</li> <li>– All RFNI returned to owning offices</li> <li>– Remaining items dispositioned via PCARRS</li> </ul> </li> <li>• Facility rework completed. Awaiting approval of Environmental Close-Out Report (ECD 30 Nov 2013)</li> </ul>
<u>Contract Status</u>	<u>Contractor Developed Hardware/Data</u>
<ul style="list-style-type: none"> <li>• Stop work direction (11 May 2013)</li> <li>• Contract Completion (30 Sep 2013)</li> <li>• CPAR Input into the System (ECD 25 Nov 2013)</li> <li>• Period 6 Award fee Contract change (ECD 25 Nov 2013)</li> <li>• Termination Proposal (Due 10 Jun 2014)</li> </ul>	<ul style="list-style-type: none"> <li>• Interceptor:               <ul style="list-style-type: none"> <li>– 5 motors [2 stage two, 3 stage one] transferred to “their new home”</li> <li>– 1 stage 2 transferred to “its new home”</li> <li>– Residual hardware transfers to other organizations in process (listed herein)</li> </ul> </li> <li>• Fire Control: Hardware/Software transferred to another contract (29 Sep 2013)</li> <li>• Data:               <ul style="list-style-type: none"> <li>– Awaiting final delivery of requested prime contractor data (mid –Dec.)</li> </ul> </li> </ul>



## Hardware Disposition Status

- **Items Transferred via DD1149 or Contract mod:**
  - Org A – 37 miscellaneous items – Items Received.
  - Org B – 4 miscellaneous items – Items Received.
  - Org C – Stage 2 motor plus miscellaneous hardware.
    - Transfer in place.
  - Org D – 20,333 lbs of Rayon Fabric – Material Received.
  - Org E – 5 motors plus miscellaneous hardware. Transfer in place.
  - Org F – Wind tunnel models – Items Received.
  - Org G – COMSEC Equipment – Items received.



- **Items Awaiting DD1149 signatures:**
  - Org 1 – Miscellaneous hardware (ECD 20 Nov)
  - Org 2 – 17 miscellaneous items (ECD 20 Nov)
- **Remaining Hardware is in process of being loaded into the PCARRS**

## Data Disposition Status

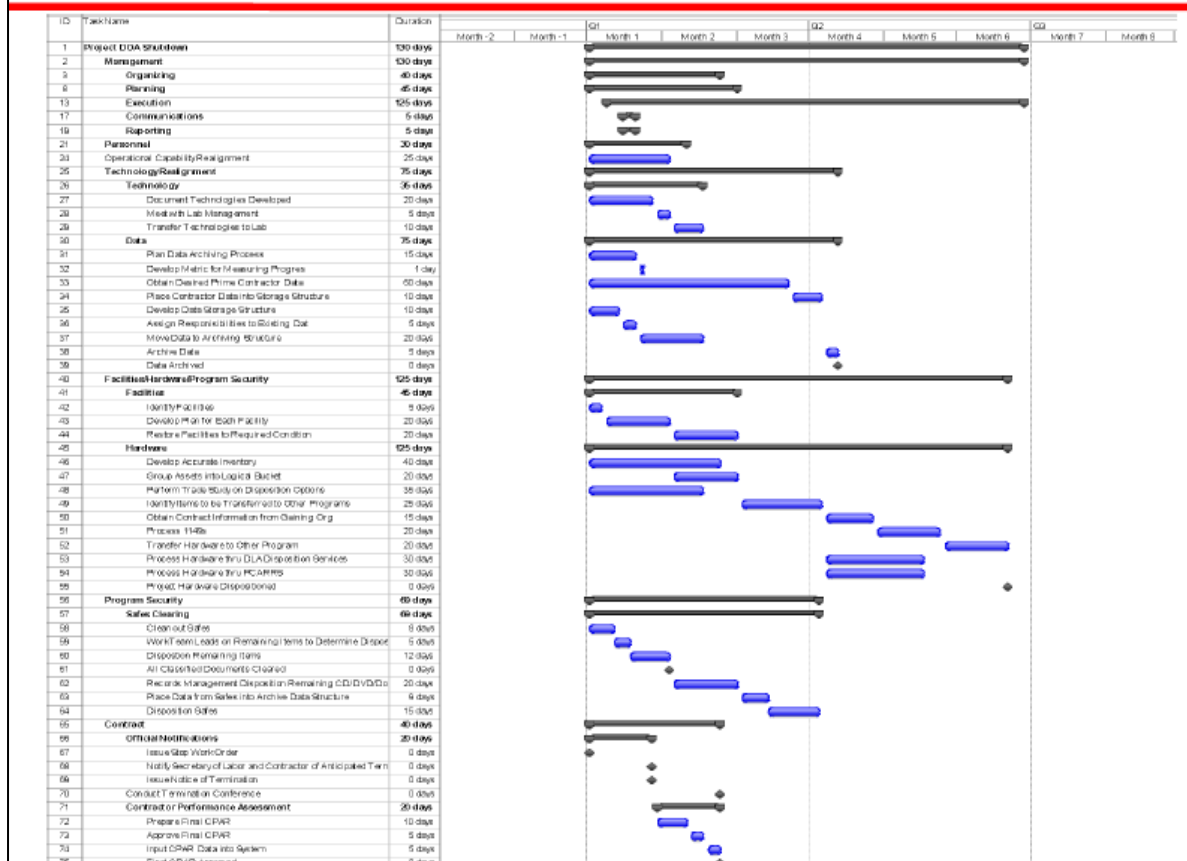
- **DOA Program Office Share Drive.**
  - Unclassified Data archived 3 Jul 2013.
  - Classified Data archived 7 Jul 2013.
- **Prime Contractor Data.**
  - Data ordered 21 Jul 2013.
  - Initial delivery 29 Sep 2013. Data archived 5 Oct 2013.
  - Awaiting delivery of final documents (ECD mid Dec).
- **All data to be transferred to Electronic Management System (EMS) (ECD 31 Dec 2013).**

## Government Facilities Summary

### • Test Range Exit

- Motors shipped from range 28 Aug 2013.
- Cleanroom re-installed 10 Sep 2013.
- Environment Close-Out Report Delivered 15 Oct 2013.
- Close-Out Report Approval and Operations Complete ECD 30 Nov 2013.

## Schedule Summary



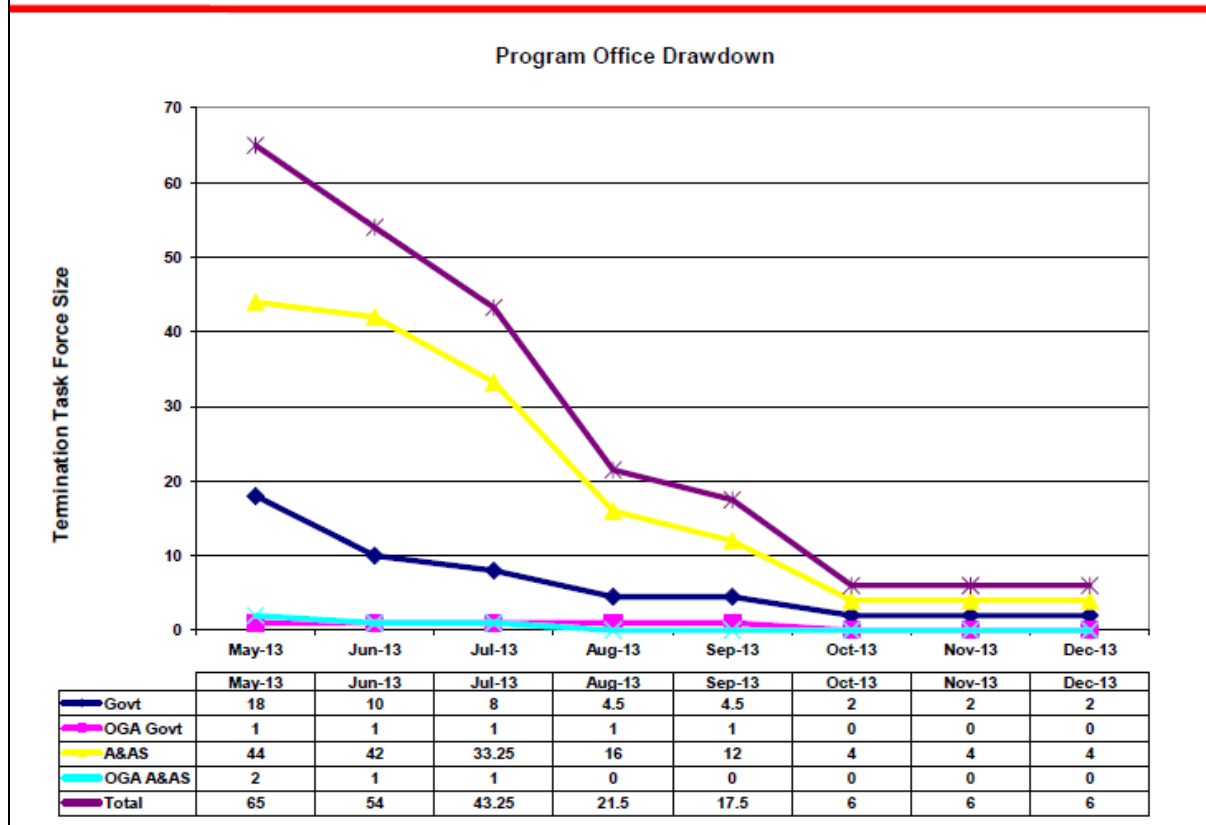
## Financial Summary

<b>FY13 Funding Available</b>	<b>\$310.6</b>
<b>Requirements</b>	
<b>Government</b>	<b>\$22.4</b>
<b>Prime Contractor</b>	<b>\$209.9</b>
<b>Remaining Property Disposition Bills</b>	<b>\$9.5</b>
<b>Funds Remaining</b>	<b>\$68.8</b>

## Security Summary

- **Classified Documents**
  - All documents cleared from safes 31 Jul 2013.
  - All electronic documents archived 22 Sep 2013.
- **Tail Sites**
  - All Tail Sites transferred or canceled 30 Sep 2013.
- **COMSEC Equipment**
  - Equipment transferred from Prime has been received.

## Personnel Drawdown Plan



## Remaining Tasks

- Input final CPAR.
- Complete processing of DD1149s to transfer GFE and Interceptor hardware.
- Receive and archive remaining data items.
- Receive final approval of range facility Environmental Assessment.
- Finalize Historical Summary.

## Issues

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- None

## Backup

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<u>Page No.</u>	<u>Chart Title</u>
15.	Guidance
16.	Termination Conference Summary
17.	Government Termination Activities
18.	Data Archiving Metric
19.	Personnel Summary
20.	Termination Cost Summary

## Guidance

- **Received**

- PB13 Press Conference on date
- Highlights:
  - Terminate the contract in FY13
  - Cancel planned test activities

- **Issued**

- Stop work letters on these dates
- Termination Notice on these dates
- Highlights:
  - Cancel the tests
  - Prepare HW for shipment to site to be determined
  - Maximize investment in telekinetic technology for other DoD uses

*Picture of ADM here*

## Termination Conference Summary

- **TCO Points of Emphasis**

- Established clear lines of communication between TCO, PCO and Prime.
- Prime termination proposal due 10 June 2014 -- subcontractor proposals must be completed in sufficient time to support.
- Partial termination payments will be considered on a case-by-case basis.

- **Other Highlights**

- Rocket Motor disposition drives termination costs and timeline.
- Property transfer process defined.
- PCO/TCO/Prime to resolve disconnect on what scope is settlement vs. continuing work .

- **Program Office Focus:**

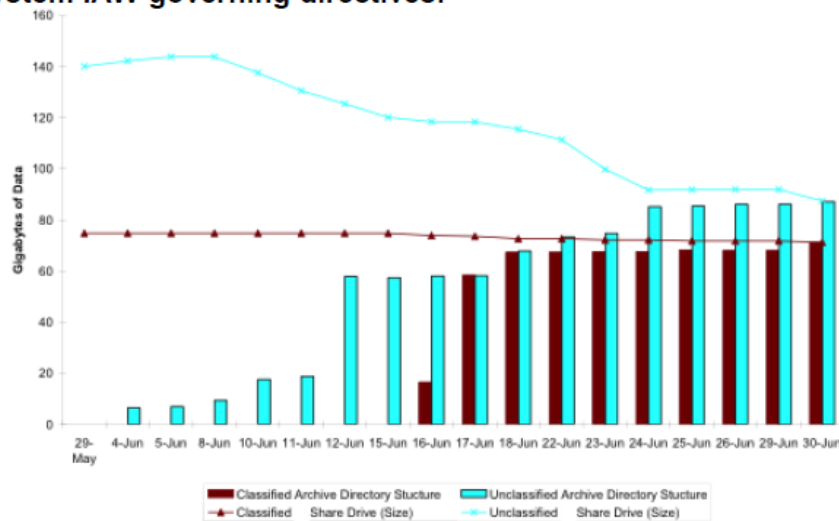
- Closing out Award Fee and CPAR [after 30 Sep 13].
- HW/Data/Technology transfers [ongoing].
- Returning range facilities to proper condition [after 30 Sep 13].
- Supporting administrative and management activities [ongoing].

## Government Termination Activities

- CPAR Close Out
- Termination Fee Determination
- Asset Disposition
  - Desired Hardware
  - Hardware for disposal
  - Government-Furnished Equipment
  - Archive prime data
- Return range facilities to range
- Supporting Contracts Close Out
- Administrative Actions
  - Historical Report
  - Lessons Learned
  - Property
  - Security

## Data Archiving Metric

- Data/Software
  - DOA technical data list delivered June 30, 2013.
  - DOA Program office shared drive (class & unclass) purge and archive complete.
  - Electronic records will be downloaded into Electronic Management System IAW governing directives.



# Personnel Summary

(data source for personnel drawdown graph)

Line	Name	TTF Responsibility	Workforce	Meets	Funding Source	Apr-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Comments (Use #Total)
1						0.5							
2													
3						0.25	0.25						
4						1	1	1	1	1	1	1	
5						1	1	1	1	1	1	1	
6						1	1	1	1	1	1	1	
7						1	1	1	1	1	1	1	
8						1	1	1	1	1	1	1	
9						0.5	0.5						
10													
11						0.5	0.5						
12						0.5	1						
13						0.5	0.5	0.5	0.5				
14						1	0.25						
15						0.5	0.5						
16						1	0.5						
17						1	0.5						
18													
19						1	1	1	1	1	1	1	
20						1	1	1	1	1	1	1	
21						1	1	1	1	1	1	1	
22						1	1	1	1	1	1	1	
23						1	0.5						
24						1	1	1	1	1	1	1	
25						0.25	0.25						
26						1	1	1	1	1	1	1	
27						1	1	1	1	1	1	1	
28						1	1	1	1	1	1	1	
29						1	1	1	1	1	1	1	
30						1	1	1	1	1	1	1	
31						1	1	1	1	1	1	1	
32						1	1	1	1	1	1	1	
33						1	1	1	1	1	1	1	
34						1	1	1	1	1	1	1	
35						1	1	1	1	1	1	1	
36						1	1	1	1	1	1	1	
37						1	1	1	1	1	1	1	
38						1	1	1	1	1	1	1	
39						1	1	1	1	1	1	1	
40						1	1	1	1	1	1	1	
41						1	1	1	1	1	1	1	
42						1	1	1	1	1	1	1	
43						1	1	1	1	1	1	1	
44						1	1	1	1	1	1	1	
45						1	1	1	1	1	1	1	
46						1	1	1	1	1	1	1	
47						1	1	1	1	1	1	1	
48						1	1	1	1	1	1	1	
49						0.5	0.5						
50						1	0.5						
51						1	1	1	1	1	1	1	
52						1	1	1	1	1	1	1	
53						1	1	1	1	1	1	1	
54						1	1	1	1	1	1	1	
55						1	1	1	1	1	1	1	
56						1	1	1	1	1	1	1	
57						1	1	1	1	1	1	1	
58						1	1	1	1	1	1	1	
59						0.25							
60						1	1	1	1	1	1	1	
61						1	1	1	1	1	1	1	
62						1	1	1	1	1	1	1	
63						1	1	1	1	1	1	1	
64						0.5	0.5						
65						0.5	0.5						





## **APPENDIX D**

### **Suggested Input for Considerations Database and SmartCard Use**

## **Suggested Input for Considerations Database and SmartCard Use**

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### **Area of Consideration**

- ☐ **Personnel**
  - ☐ **Operational Requirement**
  - ☐ **Technology**
  - ☐ **Facilities/Hardware/Software/Program Security**
  - ☐ **Contracts**
  - ☐ **Budget**
  - ☐ **Management**
- 

### **Suggested Input**

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Save and e-mail to [SSPSInputs@dau.mil](mailto:SSPSInputs@dau.mil).

# **APPENDIX E**

## **Senior Leader Interviews**

# **Smart Shutdown Program**

## **Senior Leaders Interview**

### **Person interviewed:**

Senior civilian leader over many Navy programs (Navy PM2)

### **Interviewers:**

Jerry Davis, DAU  
Mark Unger, DAU

### **Key comments:**

#### ***General Termination Comments***

- How the shutdown process happens depends on the program. ACAT I shutdowns have a different feel than ACAT II and ACAT III programs in regard to workforce and materials.
- There can be a long time between termination notice and actual closeout of the program.
- There is long wait between decision to shut down and real shutdown. There may be a requirement to get into the POM for shutdown funds or congressional approval. Sometimes it takes years.
- When notice is given that the program is terminated, ask, “What are we not going to do and what can we do to move forward during the termination period?”
- Tools or plans for termination do not exist. No one is geared to this—it would look like a “failure Plan.” This is not a good way to go for the PM/PEO.
- Think about your ACAT I programs— a major stockholder is Congress. Make plans and prepare comments for the Hill.
- Most programs are terminated because of cost, schedule, and performance.
- Start over quickly to reset your program and budget. Coordinate with the sponsor and user. This will prevent the death spiral for your people and the slow death of the program.
- Some programs never really die. They just change the name, organization, or mission, and continue on. They will come back in some form.
- What really kills a program is “no more money.” With some programs, “There is plenty of time to find a new job—just relax.”
- If your program is going out, go out with a bang. And be useful to the Service.

#### ***Shutdown IPT***

- Ask for or find a czar (SES) to help with your closeout. Some programs have used single point of contact (leader) for the closeout. It worked very well.
- If you are at the senior level (some PMs may already be looking for their next job), it may help to have a czar to help close out the program.

***Communication***

- Communicate with your people at least weekly—the changes in plans (if any) need to be passed on.

***Personnel***

- People will stay with you if you provide a fun project for the closeout period.
- Reprogram your funds to keep the program a good place to work; the people may stay for up to a year if work is meaningful.
- No one is excited about the last months of the program unless you make it so.
- People may feel “no one is looking out for me.” People are important, and some will stay if they feel you care.
- Consider the program time/period for closeout. It is unusual for a program to close quickly. People may want to stay with you if they have an idea of the real closure time.
- Your biggest challenge in shutdown is to overcome the sense of failure. People have given themselves to the program.
- Think about a reset of program and funds. Make staying around fun for people. The more senior your people are, the more likely they will stay with the program a while.

***Budget/Financial***

- If your program(s) are closed out, look at reprogramming current funds. Redirect efforts and use funds for closeout and on things good for the service.
- If Congress has not approved the closeout—look for best value use of funds. Think about a different “Play Book.”
- Plan new activities for the 11 months of already programmed money. Find exciting work to keep people; get them to buy in for the time of closeout.

***Facilities/Hardware/Software***

- When terminated, issue letter requesting an inventory of all data/materials under the already programmed money.

# **Smart Shutdown Program**

## **Senior Leaders Interviews**

### **Person interviewed:**

Senior DAU Leader (SSPS DAU)

### **Interviewers:**

Jerry Davis, DAU

Mark Unger, DAU

### **Key comments:**

#### ***General Termination Comments***

- No tools are available to guide acquisition managers, hence a gap that needs to be filled. This effort, Smart Shutdown, is a step in filling that gap. Others like the Defense Contract Management Agency (DCMA) may have some tools but it is not widely known what tools are available to a PMO.
- Training in how we shut down a program is important. We are a success-oriented acquisition force. When the decision is made that this requirement and program need to go away, training and guidance are minimal.
- Put a plan together. Ensure you have the time (schedule). Resource the plan.

#### ***Shutdown IPT***

- Consider establishing an IPT for termination. Ensure the right mix of skills is included. Include outside organizations as appropriate (i.e., DCMA, Defense Contract Audit Agency, industry).
- Secure leadership empowerment and top cover for the IPT for both government and industry leaders involved in the program.

#### ***Communication***

- Communicate with the staff via staff meetings and separate meetings as required or scheduled.

#### ***Personnel***

- Once the government shuts down a program, industry partners will move key personnel to other programs/activities. Hence, do you have the varsity or sub-varsity player to help you close out the program?

#### ***Budget/Financial***

- Identify where the funds will come from—current funding or from another organization?

- Who will oversee those funds to the very end? Establish a process or procedure.

### ***Contracts***

- Contact DCMA for support. A Termination Contracts Office (TCO) supports the Procuring Contract Officer (PCO) in an orderly shutdown of a program.
- The question, “What are the *tax* liabilities when shutting down” came up. From the government’s perspective, there probably is no major concern. From Industry’s perspective, there could be an impact to the bottom line. The PMO needs to monitor and bring in the lawyers and resource personnel at the appropriate time to consider if that is an allowable shutdown cost.
- Contract administration of ending a contract is not covered well in DoD/Service-related courses. It is mostly a “learn as you go” process. TCOs are a very small group, and for the most part that is the only thing they do.
- Include legal in the process. Determine when the legal professionals are needed or required.

### ***Technologies***

- Determine what to do with the technology. Is it shelved, put on the shelf, sent back to the lab?
- Is there a vehicle/organization/agency that can coordinate the transfer of technology to others who may have an interest?
- Treat data properly, realizing most programs have proprietary data, classified data, and unclassified data.



# **Smart Shutdown Program**

## **Senior Leaders Interviews**

### **Person interviewed:**

Department of Army Senior Level Leader (SSPS DoD1)

### **Interviewers:**

John Adams, DAU  
Jerry Davis, DAU  
Mark Unger, DAU

### **Key comments:**

#### ***General Termination Comments***

- There is no process in place to terminate programs. There is lot of talk but no set or adjustable process. Nobody had a plan even after they were told of the possibility of their program termination.
- Everything is subject to be terminated. However, termination of programs is not in Army mind set.
- The DAE, AE, PEO, and PM are the persons responsible for programs. The better they know/understand your program, the more responsive they are to support your requests.
- Look at nonperforming programs (cost, schedule, performance) and evaluate for termination.
- Consider, at closure, the many stakeholders to include: warfighter, headquarters, Services, Office of the Secretary of Defense, Congress, political administration, foreign countries, and the media.
- Suggest consideration of programs in this text: "If a program is not performing, *kill it*"— this is done in industry; government needs to do the same.
- It is always best to plan before termination— to consider processes, personal, PEO level training and TDPs. These also must be considered and developed after program termination, if not developed.
- Suggest education and training of program shutdown personnel. Look at case studies, guides, DAU support and information on other terminated/shutdown programs. Make sure to cover termination liability clause.
- Attend a DAU class on termination guides and suggestions. The class could be tailored to program closeout.
- The size of your program can determine the visibility at senior levels. Smaller programs lack the visibility of the larger ones and thus need to get your PEO to watch/help the termination process.
- Understand and follow the mission assigned for termination of the program.

- Use visuals such as graphs and pie charts to display your metrics in support of the termination process. People understand graphs.
- Consider political concerns—industry teams and local interest groups may cause changes in your plan or even the termination.
- Consider other services and industry: They may try to stop you and your process for their own benefit.
- It is always best to be prepared and have a plan before the termination of a program.

### ***Shutdown IPT***

- If the program is large, consider a proposal or RFP to obtain needed expertise for conducting the termination.

### ***Communication***

- Consider best method for open communication. Shutdown letters should come via AE, PEO, and PM.
- Always keep in mind communication with/and consideration of the leaders who have the power to make decisions regarding your program.

### ***Personnel***

- Consider two main areas for the termination: Plan for people and plan your money.

### ***Budget/Financial***

- Consider closeout cost. There is a major cost in termination of programs—be sure to hold back or ask for enough money to cover these required cost.
- Determine adequate resourcing (funds) to meet shutdown requirements, and obtain the right people for termination.
- Determine the proper amount of funds needed to close out the program.
- Consider funds management: Ask your PEO to run top cover for you.
- Know where and how much money there is for termination and the date to close the doors and turn off the lights.
- Prepare a chart showing the cost of your program at war and, for comparison, the cost of your program when not at war.

### ***Contracts***

- Require contractor submit a termination proposal.

### ***Technologies***

- Think about taking your program technology back to the labs.

# **Smart Shutdown Program**

## **Senior Leaders Interviews**

### **Person interviewed:**

Deputy Program Manager (SSPS DPM1)

### **Interviewers:**

Jerry Davis, DAU

Mark Unger, DAU

### **Key comments:**

#### ***General Termination Comments***

- You may be disinclined to represent your program if your systems are transferred to another service.
- The program's PM can be cut off from transfer discussions.
- Go to PEO and/or higher to get as much head cover as possible. This level can communicate with the AE for smoother termination.
- Where there is a conflict in guidance, ask leadership to resolve the issues and try to get one direction. This may not be possible because there are a number of groups that are interested only in their part of the termination.
- There is lack (or no) documentation for shutdown of material related to a classified and/or unclassified termination.
- Leadership may look at sharing data between industries. There are problems in that each company is competing with the other and will not want its data visible to competitors.

#### ***Communication***

- Try to keep in the communication loop for the termination of your program. With high-level information cut out, this may not be possible.

#### ***Personnel***

- Consider people first.
- Suggest that Priority 1 is the people. In this terminated program, 100 percent of the core people were placed or found placement.
- Consider sending some of your people to training or school during the transfer period. Pay for the training and ensure they are in position after training.
- Look at your people's need for cover. Your program may pay some of the people cost until October to receiving organizations. This was done so the new organizations could include them in new budget.

- Consider sending (paying for) one of your qualified people to Senior Service College Fellowship. This will be of benefit to the individual and the Service. Placement is then done after SSCF.
- Many of your projected placements require PEO approval. Work with organizations and the PEO to make sure placement is correctly accomplished.
- Work with your program people to reduce the impact of termination. A good effort by the PM helps a lot. Talk to the people; they have ownership in the program.
- Termination is always personal, regardless of the reason. Your people are disappointed. They feel they failed even when it is not their fault.
- The best and youngest will depart fast.
- Senior leadership may really not have a plan for the higher-level employees from your organization.

### ***Contracts***

- Conduct an inventory with the support of DCMA. We learned that much of the government property for our program could not be found. Everything is owned by the PM.
- An active program has a great number of contracts related to termination issues that must be resolved. Consider hardware and the classified materials.

### ***Technologies***

- Plan the storage of data and how it is to be inventoried. Consider who has access to the data.
- If possible, and there is time, put data into a standard format. Commonly, there will be several formats for data and inventory of products.

### ***Facilities/Hardware/Software***

- Suggest the program ask for a letter requesting destruction of parts or the entire system (destroy in place) to cover yourself later.

# **Smart Shutdown Program**

## **Senior Leaders Interviews**

### **Person interviewed:**

Senior USAF Leader (SSPS Navy)

### **Interviewers:**

Jerry Davis, DAU

Mark Unger, DAU

### **Key comments:**

#### ***General Termination Comments***

- There were no tools available to assist in shutting down the program.
- Who decides? The USAF decides it doesn't need X. The USAF goes through the process that eventually reaches the Hill. Yet there is pushback. A resource management document (RMD 802) came out and canceled the program. Later in the year, RMD 700 funded the capability/requirement. An observation was that most canceled programs do come back because the capability/need still remains within the component/agency.
- Having a shutdown or termination plan/annex in the strategy is not a good thing. At that point, personnel should focus on the successes of the program. Once the shutdown has been determined, develop a plan utilizing existing resources and tools.
- Use of checklists will assist personnel in developing a termination plan as will a guidebook. Having these tools available on the Web makes it accessible to workforce members.

#### ***Personnel***

- People are the key to a shutdown/termination.
- Beware of cherry picking of both technology and personnel. Both need to be managed smartly.
- Personnel are your key resource when shutting down a program.

#### ***Budget/Financial***

- Even though the program has been terminated, funds are needed to close out current activities.

***Contracts***

- In some cases, the contractor has up to a year to submit a termination/closeout proposal.

# **Smart Shutdown Program**

## **Senior Leaders Interviews**

### **Person interviewed:**

Senior Navy Civilian in charge of two terminated programs (SSPS NavyPM1)

### **Interviewers:**

John Adams, DAU

Jerry Davis, DAU

### **Key comments:**

#### ***General Termination Comments***

- Go to your senior leaders and get their support in conducting the termination/shutdown for the greatest benefit to government.
- Ask for leadership head cover in termination actions.
- Think about required actions in termination plan; our program termination was with no notice and we did not see it coming. Thus, there was little planning for termination.
- Look for tools to help in the shutdown process. We had no tools and could not find them. A DAU-developed list it will help.
- Consider that your leaders and headquarters may not even talk to you after termination. Plan/develop your own termination plan and termination guide if left alone.
- Suggest DAU develop a check list and termination guide to provide a guide to programs that have been terminated.
- Suggest that DAU consider developing a Termination Annex for consideration in the Acquisition Plan.

#### ***Communication***

- Communication with leaders to develop orderly shutdown.
- Suggest close communication/information with the program's people; they will be unsure of their future. Some of your people will be angry and not understand why with the program was terminated with no warning.

#### ***Personnel***

- The most important things to consider are people and money.
- Termination is a normal part of life. Make sure to work with your people to find them positions and keep up their morale.
- Try to maintain program expertise. The people running the program know it best and can greatly aid in the shutdown process.

- Consider shutdown of a nonrecord program. Your current people may be the only people with needed knowledge. It may be a shutdown from in-house. Keep your people if possible.
- Continue communication with headquarters in finding positions for program people. In our case, our leaders came down and said all the right words and then walked out and said, "You are on your own."

### ***Budget/Financial***

- Get and earmark funds to pay people and shutdown cost.

### ***Contracts***

- The contractor is to submit its termination plan to you at closedown notice. Some contractors will take 6 to 12 months to produce this plan, and you may not be able to protect your money.
- Consider litigation issues coming from the shutdown. Get and keep legal people involved in the termination. Often the government will be sued because of the shutdown.
- Consider that contractors may sue government as matter of course. "We are going to sue you [government] because if we don't sue you our stockholders will sue us (prime contractor)."
- Your contractor may be your close partner right up until termination, then could come out hard against you and the program. It happened to me and my program.

### ***Technologies***

- Make sure the data package is not lost.
- Consider the best avenues for placing your technology into other programs or archive the technology for possible future use.

### ***Facilities/Hardware/Software***

- Prepare a total inventory of government equipment and conduct reviews of contracts. Often the contractors have no idea where the government equipment is or how to locate it.



## **Smart Shutdown Program**

### **Senior Leaders Interviews**

#### **Person interviewed:**

Former Navy Senior Leader (SSPS Navy PM3)

#### **Interviewers:**

John Adams, DAU

Jerry Davis, DAU

#### **Key comments:**

##### ***General Termination Comments***

- Termination may be to combine programs—people and all elements of the program.
- There were no tools for shutdown or combining of programs that I could find. Consider DAU Check List as guide.
- Think about working with the users of the program. There had to be a requirement for beginning the program. Is that requirement still there and how will it be met for the user?
- Consider “Trust but Verify” when told there is no longer a need for the program or its product, check to be sure.
- Considered how to answer questions for the advocates who wanted the program. Start with senators and Congress that funded your program to fill a user gap.
- Some programs will not die. There are programs that have been in shutdown phases for years. Will your program be one of these?
- Consider method to “wrap up obligations” entered into before the termination. Are there contracts that must be paid? The TCO is likely to be the first person out the door. Obligations may be short term or long term.
- Program terminations are all different—in one termination experience, there was lots of support and head cover. Leadership provided an excellent SES for help and 96 percent of people were reassigned; the others were placed. Good leadership support makes a difference.

### ***Personnel***

- Think about people and their emotions; for one program there was no follow through by my headquarters. They came, announced the termination and then never came back. This termination had no support from leadership.
- If there is no support by leadership, you will need to deal with the people and their “shock and anger.” In your Termination Plan, include communication and emotional considerations.
- Workers have ownership for the program; help them to heal and move on.
- Offer training for terminated program employees. Training could help to develop a good skill mix within the remaining personnel. This can fill the gaps caused by your people departing.
- Be innovative in your handling of people. If possible, after termination, interview them personally. Show them you care and do a career interview with them.
- “Tell Truth and Be Honest” with people. Do not “cotton wrap” a painful process.
- Consider “all relationships are individual.” Treat each individual as a person so the person knows you care.

### ***Budget/Financial***

- Determine the “actual or real” cost of shutdown of your program. Compute the “total shutdown cost” and keep or ask for funds that will be required.
- Make a list of unintended cost of the termination and how will it affect other programs—does the user lose a required product, etc.
- Include the cost for missing equipment. In my terminations, many items disappeared.
- Identify the “Butcher Bill” or bottom line for termination.
- Suggest PM/PEO monitor “keep watch” over the termination funds.

### ***Contracts***

- Look at the program total contracting records “many contracts have never been closed out.” Identify contract issues and work termination plan to close out all contracts.
- Include all old contracts needing close out in your termination funding plan.

### ***Technologies***

- Pay special attention to IT related areas when you receive termination notice. IT is complex and in some programs it is linked to 60 percent of the activity in the program.
- Consider how to save program successes and products for the future. It is possible we do not have enough acquirers in government to take care of national assets. Don’t think someone else has a plan to save valuable data and equipment.

### ***Facilities/Hardware/Software***

- Find the best avenues to distribute GFE materials/equipment or, if required, their proper disposal.

# **Smart Shutdown Program**

## **Senior Leaders Interviews**

### **Person interviewed:**

Ex Army Program Executive Officer (SSPS PEO1)

### **Interviewers:**

Jerry Davis, DAU

Mark Unger, DAU

### **Key comments:**

#### ***General Termination Comments***

- There should be a required annex to your program plan for the possibility of the program being shut down.
- Consider actions required for “black” [top secret] or “white” programs—shutdown for black programs could be very different and have required special regulations.
- In one case, the PEO was not told of shutdown and the AE was blindsided as well. These people/leaders should have been told before shutdown of the program was announced to the public.
- Talk to the AAE/PEO and get their perspective on your program shutdown; what direction they have for you.
- Use your “fast action plan” to see if your program was canceled by mistake. Some are canceled when it was not intended that they be canceled. Follow up on notice quickly and correct the mistake and to keep funds.
- Review your shutdown plans, and, if there are none, find examples. Look to DAU for support and guides for program shutdown.
- You contractor organizations may have better idea of what your program contains than do your workers: Work with the industries as partners to plan actions and shutdown dates.
- Consider that senior military leadership and acquisition leadership “may not have same motives” or even be at cross-purposes.
- Your service may have limited tools for shutdown operations. Contracting is normally better ready for shutdown, but they are not the only players— consider other sources.
- Be flexible to new ideas and methods.

#### ***Shutdown IPT***

- Consider a termination team; use key persons from all program areas with expertise to complete the mission.

- Get organized quickly. Often there is no notice before a program is shut down. You learn your program is shut down by hearing it on TV.

### ***Personnel***

- Your people and their expertise are a critical asset when a program is shut down; people are the jewels—protect them.
- Consider using your current people who may be retiring in the next year or two for your closeout team. Other workers will move on more quickly. Ask appropriate workers to stay.
- Protect the people who agree to stay with your program for the shutdown process; help them find appropriate positions.

### ***Budget/Financial***

- Consider comptroller prospective on taking your funds before closeout is completed. The comptroller is not your friend; however, work with the comptroller to best complete the shutdown.

### ***Contracts***

- Keep TCO throughout the shutdown process if possible. He or she is a key person, and often the first person recruited from your terminated program.

### ***Technologies***

- Protect the technology your program has developed. Sometimes, the Army just walks away from the technology of shutdown programs. It is up to you to find a place for the technology.
- Check to ensure technology does not go to “wrong” places, countries, or unauthorized agencies.
- Consider the ramification of your technology in the right or wrong hands.
- Capture your Technology Data Package (TDP). Plan where to send the TDP or where to store it. Future wars may require your same technologies and TDP.
- Think of other government organizations that may be able to use your technology; look for/develop pass-off mechanism.
- Consider using a research lab as a repository for your technology or a place to put your program data.
- There are few, if any, new technologies in development for the Army. We do not know what technologies will be needed in future wars. Protect your technology data. They may be needed in the future.

# **Smart Shutdown Program**

## **Senior Leaders Interviews**

### **Person interviewed:**

Army Program Manager (SSPS PM3)

### **Interviewers:**

Jerry Davis, DAU

Mark Unger, DAU

### **Key comments:**

#### ***General Termination Comments***

- Consider the impact of your termination on industry. Smaller programs may not have a large impact, but larger programs can have impact nationwide.
- Many existing processes need to modification for large shutdowns. Items like logistical support plan and demilitarization plan need to be changed.
- Consider the unique requirements of your program and incorporate systems and subsystems for review and action by your termination team.
- Small program shutdowns can provide somewhat of a standard process for shutdown—but with larger programs, many unique approaches and applications are needed.
- Suggest that DAU make a standard guide for terminated programs.
- Suggest that DAU develop both classroom instruction and an on-site team to provide the PM with information and support for the program termination.
- Consider a real standard practice for terminated programs, with DAU to take the lead in development.
- Suggest establishing a team for development of termination and shutdown information and considerations for the PM. We need to be better prepared for the termination of our programs.

#### ***Organizing***

- Suggest very early linkage/partnering of government and industry organizations and personnel to support the termination action.
- Identify individuals that are core/key players of the program to meet the required elements for proper program shutdown.
- Form a termination team.

#### ***Communication***

- Plan and develop a communication plan.

- Develop a time schedule for program shutdown meetings. The sessions need to be often and include all key players. Schedule town hall meetings for information flow to all employees in the program.
- In addition to open forum town hall meetings, there need to be written and electronic postings of events and directions (daily is good).

### ***Personnel***

- Think about your people and consider ways to help them.

### ***Technologies***

- Data from the program should be reviewed and placed with other DoD agencies. Consider who may best use your technology and data.
- In the case of a large program shutdown, there may be 20 years of data. Work with industry and government to find proper resolution to data and TDP.

### ***Facilities/Hardware/Software***

- Large program shutdowns are complex, and there are many property issues (government- or industry-owned).

### ***Contracts***

- Use DCAA and DCMA for shutdown support. These organizations have a great deal of experience in the shutdown of small programs but are limited in their support of large programs.
- Large program shutdowns may need outside support and staff. DCAA and DCMA should be contacted to determine if they can provide personnel or other support.

### ***Budget/Financial***

- Allow for funding for the shutdown. Considerations may be needed in reprogramming. Army requirements and shutdown timeframes may have direct impact on your processes.

## **Smart Shutdown Program**

### **Senior Leaders Interviews**

#### **Person interviewed:**

Claude Bolton (retired Army Acquisition Executive—AE), PEO and Air Force General

#### **Interviewers:**

John Adams, DAU

Jerry Davis, DAU

Mark Unger, DAU

#### **Key comments:**

##### ***General Termination Comments***

- There is no process in place to terminate programs. There is lot of talk but no set or adjustable process.
- The DAE, AE, PEO, and PM are the persons (adult leadership) responsible for programs. The better they know/understand your program, the more responsive they are to support your requests.
- It is always best to plan before termination. Consider processes, personal, PEO level training and TDPs. These must be considered and developed after program termination if not developed beforehand.
- Educate and train program shutdown personnel. Look at case studies, guides, DAU support, and information on other terminated/shutdown programs.
- Consider nonperforming programs (cost, schedule, performance) and evaluate for termination.
- Consider two main areas for the termination: Plan for people and plan your money.
- At closure, there are many stakeholders to include: warfighter, headquarters, Services, Office of the Secretary of Defense, Congress, political administration, foreign countries and the media.
- The size of your program can determine the amount of visibility at senior levels. Smaller programs lack the visibility of the larger ones and thus need the PEO to watch/help the termination process.
- Consider, if the program is large, a proposal or RFP to obtain needed expertise for conducting the termination.
- Other services and industry may try to stop you and your process for their own benefit.
- Use visuals such as graphs and pie charts to display your metrics in support of the termination process. People understand graphs.



- Consider political concerns— industry teams and local interest groups may cause changes in your plan or even the termination.
- Suggest consideration of programs in this text: If a program is not performing, *kill it*.
- Prepare a chart showing the cost of your program when at war and, for comparison, the cost of your program when not at war.
- It is always best to be prepared and have a plan before the termination of a program.
- Understand and follow the mission assigned for the termination of the program.

### ***Communication***

- Consider the best method for open communication. Shutdown letters should come via AE, PEO, and PM.
- Always keep in mind: Communication with/and consideration of the leaders who have the power to make decisions regarding your program.

### ***Technologies***

- Consider taking your program technology back to the labs.

### ***Budget/Financial***

- Consider closeout cost. There is a major cost in termination of programs. Be sure to hold back, or ask for, enough money to cover required cost.
- Obtain adequate resourcing (funds) to meet shutdown requirements, and obtain the right people for termination.
- Consider the proper amount of funding needed to close out the program.
- Consider funds management; ask your PEO to run top cover for you.

# **APPENDIX F**

## **SSPS Considerations Data Card**

Smart Shutdown Program Profile DataBank												
General	PROJECT	ACAT	SERVICE	ACQUISITION PHASE	PEO ORGANIZATION	DATE	VER					
		Other	Other	Other								
SSPS Lane												
Personnel Realignment												
"SMARTCARD" Program Considerations Profile Card												
Reference	Consideration	App	N/A	Points of Contact			1	2	3	4	5	6
							P	R	T	F	C	B
1.0	General Considerations											
1.01	Is a Program Historical Summary appropriate to capture details for lessons learned?											
1.02	Are termination meeting minutes/actions being captured in standard format?											
1.03	Does the Program Organizational model identify all levels of Stakeholders to sub supplier levels?											
1.04	Have metrics been developed to track progress/completion of/er Shutdown processes?											
1.05	Is the establishment of a Lessons Learned IPT appropriate?											
1.1	Specific											
1.1.1	Has consideration been given to the leadership team being pulled together to determine required activities?											
1.1.2	Has a program personnel transition philosophy been determined and communicated to the workforce?											
1.1.3	Has consideration been given to deployment of "core transition team, or termination task force", being identified?											
1.1.4	Has consideration been given to a daily stand-up meeting with key personnel?											
1.1.5	Has consideration been given to holding an initial notification All-Hands meeting in morning?											
1.1.6	Have multiple communication venues established within the organization?											
1.1.7	Has consideration been given to the appropriate communications forums been established to effect vertical and horizontal communication needs?											
1.1.8	Has consideration been given to establishing a public affairs POC to handle all inquiries?											
1.1.9	Are exit briefings from all personnel considered in order to capture lessons learned?											
(Found at: <a href="https://acc.dau.mil/CommunityBrowser.aspx">https://acc.dau.mil/CommunityBrowser.aspx</a> under Smart Shutdown Performance Support)												

Smart ShutDown Program Profile DataBank						
General	PROJECT	ACAT	SERVICE	ACQUISITION PHASE	PEO ORGANIZATION	DATE
		Other	Other	Other		
SSPS Lane						
Facilities/HW/SW Realignment						
"SMARTCARD" Program Considerations Profile Card						
Reference	Consideration	App	N/A	Points of Contact		
4.0	General Considerations					
4.01	Is a Program Historical Summary appropriate to capture details for lessons learned?					
4.02	Are termination metrics/assessments being captured in standard format?					
4.03	Does the Program Organizational model identify all levels of stakeholders to sub-supplier levels?					
4.04	Have metrics been developed to track progress/completion after Shutdown processes?					
4.05	Is the establishment of a Lessons Learned IPT appropriate?					
4.06	Has the Facilities Realignment task been planned for as an independent project?					
4.07	Has the requirement for realignment been developed and defined?					
4.08	Has the schedule for realignment been developed/defined?					
4.09	Has the funding requirement for realignment been established in the plan?					
4.010	Have the realignment risk been considered?					
4.011	Has a measure of success for alignment been considered/established?					
4.012	Have metrics to gauge progress toward realignment goals been considered?					
4.013	Has a plan to communicate the realignment goals been considered/established?					
4.014	Is Government Termination ADM completed/defined and delivered?					
4.015	Is analysis of Gov ADM for scope, schedule, plan, considered and is it looked?					
4.016	Is analysis considered to determine extent of Gov ownership of data rights?					
4.017	Has data rights price been costed out?					
4.018	Has consideration been given to the appointment of Archive POC (Architect for PQ)?					
4.019	Has consideration been given to the types of archive format/storage that are compatible with HQ capabilities?					

(Found at: <https://acc.dau.mil/CommunityBrowser.aspx> under Smart Shutdown Performance Support)

Smart Shutdown Program Profile DataBank										
General	PROJECT	ACAT	SERVICE	ACQUISITION PHASE	PEO ORGANIZATION	DATE	VER			
		Other	Other	Other						
SSPS Lane Technologies Realignment										
"SMARTCARD" Program Considerations Profile Card										
Reference	Consideration	App	N/A	Points of Contact	1	2	3	4	5	6
3.0	General Considerations									
3.01	Is a Program Historical Summary appropriate to capture details for lessons learned?									
3.02	Are termination meeting minutes/actions being captured in standard format?									
3.03	Does the Program Organizational model identify all levels of Stakeholders to sub supplier levels?									
3.04	Have metrics been developed to track progress/completion of key Shutdown process(es)?									
3.05	Is the establishment of a Lessons Learned IPT appropriate?									
3.06	Has the Technology/ Realignment task been planned for an independent transition?									
3.07	Has the requirement for realignment been developed and signed?									
3.08	Has the schedule for realignment been developed and signed?									
3.09	Has the funding requirement for realignment been developed and signed?									
3.010	Have the realignment risk been considered?									
3.011	Has a plan to communicate the realignment goals been considered/established?									
3.012	Has a measure of success for alignment been considered/ established?									
3.013	Have metrics to gauge progress toward realignment goals been considered?									
3.014	Is Government Termination ADIM completed/ signed and delivered?									
3.015	Is analysis of Gov ADIM for scope, schedule, plan considered and is it locked ?									
3.016	Is analysis considered to determine extent of Gov ownership of data rights?									
3.1	Technology Transfer or Transition									
3.1.1	Has the Technology/ Development Strategy been considered for use as a planning document?									
3.1.2	Have all critical technologies been identified?									

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Smart Shutdown Program Profile DataBank						
General	PROJECT	ACAT	SERVICE	ACQUISITION PHASE	PEO ORGANIZATION	DATE
		Other	Other	Other		
SSPS Lane						
Facilities/HW/SW Realignment						
"SMARTCARD" Program Considerations Profile Card						
Reference	Consideration	App	N/A	Points of Contact		
				1	2	3
4.0	General Considerations					
4.01	Is a Program Historical Summary appropriate to capture details for lessons learned?					
4.02	Are termination meeting minutes/actions being captured in standard format?					
4.03	Does the Program Organizational model identify all levels of Stakeholders to sub-supplier levels?					
4.04	Have metrics been developed to track progress/completion of key Shutdown processes?					
4.05	Is the establishment of a Lessons Learned IPT appropriate?					
4.06	Has the required Realignment been planned for an independent project?					
4.07	Has the requirement for realignment been developed and captured?					
4.08	Has the schedule for realignment been developed and sized?					
4.09	Has the funding requirement for realignment been captured and sized?					
4.010	Have the realignment risks been considered?					
4.011	Has a measure of success for alignment been developed/established?					
4.012	Have metrics to gauge progress toward realignment goals been considered?					
4.013	Has a plan to communicate the realignment goals been considered/established?					
4.014	Is Government Termination ADM completed, signed, and delivered?					
4.015	Is analysis of Gov ADM for scope, schedule plan considered and is it loaded?					
4.016	Is analysis considered to determine extent of Gov ownership of data rights?					
4.017	Has data rights price been costed out?					
4.018	Has consideration been given to the appointment of Archives POC: Guidelines for PO?					
4.019	Has consideration been given to the types of archive formats/technology that are compatible with HQ capabilities?					
4.020	Has consideration been given to the types of data and method of collection/archiving/usage/indexing/metadata?					

(Found at: <https://acc.dau.mil/CommunityBrowser.aspx> under Smart Shutdown Performance Support)

Smart ShutDown Program Profile Data Bank						
General	PROJECT	ACAT	SERVICE	ACQUISITION PHASE	PEO ORGANIZATION	DATE
		Other	Other	Other		
SSPS Lane						
Contracts Realignment						
"SMARTCARD" Program Considerations Profile Card						
Reference	Consideration	App	N/A	Points of Contact		
5.0	General Considerations					
5.01	Is a Program Historical Summary appropriate to capture details for lessons learned?					
5.02	Are termination meeting minutes/actions being captured in standard format?					
5.03	Does the Program Organizational model identify all levels of Stakeholders to subsupplier levels?					
5.04	Have metrics been developed to track progress/completion of key ShutDown processes?					
5.05	Is the establishment of a Lessons Learned IPT appropriate?					
5.06	Has Congressional notification been determined on anticipated significant contract termination actions?					
5.07	Have final CPAR comments been submitted?					
5.08	Has a contracts Termination matrix been considered to identify termination clauses in all major and submajor program contracts?					
5.09	Consider the impact on the contract fees -- award fee period close out, incentive fees, etc.					
5.0.10	Have you appointed a Terminating Contracting Officer (TCO)?					
5.0.11	Have you notified the Administrative Contracting Officer (ACO)?					
5.0.12	Have you considered issuing stop work orders on open contracts?					
5.0.13	Have you considered deobligating funds from unexpended contract funding?					
5.0.14	Have you considered changing the scope of work and/or period of performance for the close out activities?					
5.0.15	Have you analyzed the data rights provisions in the contract to see if any changes are needed?					
5.0.16	Has consideration been given to type/amount/timing of admin mod to the contract					

(Found at: <https://acc.dau.mil/CommunityBrowser.aspx?underSmartShutDownPerformanceSupport>)

Smart Shutdown Program Profile DataBank						
General	PROJECT	ACAT	SERVICE	ACQUISITION PHASE	PEO ORGANIZATION	DATE
			Other	Other		
SSPS Lane						
Budget/Financial Management Realignment						
"SMARTCARD" Program Considerations Profile Card						
Reference	Consideration	App	N/A	Points of Contact		
6.0	General Considerations					
	Comment: Funding program termination issues has to do with scope and timing. Should we finish completing program (or component) documentation, drawings, software code/documentation, testing, prototypes, accreditation on models & simulations, technology maturity, etc up to a useful increment of capability? If so, what is the correct end point and how much will it cost? What appropriation will be needed? Funding for Contract model for the change in scope.					
6.01	Is a Program Historical Summary appropriate to capture details for lessons learned?					
6.02	Are termination meeting minutes/actions being captured in standard format?					
6.03	Does the Program Organizational model identify all levels of stakeholders and support levels?					
6.04	Have metrics been developed to track progress/development of program processes?					
6.05	Is the establishment of a Lessons Learned IPT appropriate?					
6.1	Financial Considerations Related to Contractors					
6.1.1	Has consideration been given to issue stop work orders as fast as possible, to minimize financial impacts?					
6.1.2	Has consideration been given to de-obligate money from all efforts such as contracts, MPRs, Test Ranges, etc that will not be expended and are no longer needed?					
6.1.3	Has consideration been given to the funding amount available for outstanding obligations, which may be invoked and/or contracts closed out in later years?					
6.1.4	Have all contractors been identified, informed, and requested to provide termination cost projections?					
6.1.5	Has consideration been given to the final CPAR input and Award Fee evaluations?					

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